JPRS-EER-90-014 2 FEBRUARY 1990



# JPRS Report

# **East Europe**

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#### GERMAN DEMOCRATIC REPUBLIC

#### **SED Reform Proposal Published**

90EG0093A East Berlin NEUES DEUTSCHLAND in German 16-17 Dec 89 pp 3-4

[A "program discussion proposal" drafted by a committee headed by Dr. Rolf Reissig and Frank Adler: "For a Human, Democratic Socialism in the GDR"]

[Text]

## I. The Crisis of Administrative Socialism and the Opportunity for Revolutionary Restructuring in the GDR

1. Our country and our party are in the deepest crisis of their history. Deeply disappointed, justifiably angry, and greatly concerned about the future, many people wonder whether more than 40 years of hard work have been in vain. They have rebuilt our country from the ruins left behind by the fascist war and have produced accomplishments in industry, agriculture, science, technology, and art which no one can ignore. Like the members of our party, the majority of them believed that the construction of a democratic and socialist society was the proper way to learn the lessons of German history and to ensure for all of us and our children a peaceful future in growing prosperity. Was that an error? Or does socialism turn out to be only a good idea that cannot be put into practice? What are the more fundamental reasons that socialism has now entered an existential crisis in our country also and what are the prospects of preserving an independent GDR with a socialist form of development?

The first attempt at socialism on German soil was undertaken for the purpose of developing a society free of exploitation and based on the public ownership of property, and, in conjunction with a consistently antifascist orientation of all social spheres, it produced noteworthy accomplishments. Because of the formation and eventual dominance of dictatorial political and economic structures (a fundamental problem that requires thorough analysis), no actual socialization, no true union of socialism and democracy, and no development undertaken for the benefit of the individual person ensued however.

A system combining nationalization, the supremacy of a party and state apparatus, the rule of privileged leadership cadres, and the domination of politico-bureaucratic structures over people led it into its deepest crisis. This crisis and the awakening of the democratic popular movement in the GDR are elements of a worldwide crisis of the administrative-bureaucratic type of socialism and of a worldwide movement towards a more human society—towards a more democratic socialism. Since the middle of the 1980's a concrete opportunity has presented itself to us to fashion socialism into a

modern form of society and to accomplish a break with its heretofore predominating type of development.

2. For the first time then, humanity is faced with the fundamentally new challenge and opportunity of choosing a new path as an alternative to the two variants which have historically existed in practice: monopoly capitalism and administrative socialism. At issue is a path which must assimilate the achievements of modern social development and further develop them. Among these are: high productivity, the capacity for innovation in all social spheres, developed democracy, social security, and competition among the various forms of ownership and production. This new path is opposed to the formation of monopolies of all kinds—to capitalist monopoly structures, but also the monopoly of state and party as has been the case in socialism to date.

The formation of state and economic monopolies have aggravated mankind's problems of development, not solved them. To date, both systems have exacerbated the global problems of humanity—the one due to the socially unchecked, extreme development of productive forces, the other due to the underdeveloped or unbalanced development of productive forces. Nonetheless, both socioeconomic systems cannot be equated. The arms race, colonialism and neocolonialism, racism, the increasing seriousness of underdevelopment, worldwide poverty, and the destruction of the environment have their most basic cause in the profit-oriented system of capitalism.

3. A restructuring of Western societies with their dominant capitalist property ownership structures is necessary, but on the other hand the restructuring of administrative socialism is necessary as well. A return to a variant of capitalist development would not solve the problems of our society. Both societies are facing these challenges with varying initial circumstances, preconditions, and political and social forces. Despite the deformation and deterioration of socialist development to date, essential conditions and opportunities are contained within it for embarking upon a path toward a human, peaceful society of solidarity which will contribute to the survival of humanity. At the same time, it is probably the last opportunity for socialism to achieve social progress-without a detour into capitalism, without the competitive struggles and battles for power of the private enterprises and banks, without new social injustices, without mass unemployment, without making the four-fifths of the world that is poor still poorer—but in coevolution with the other system. The Socialist Party of the GDR is committed to this goal. Socialist criticism of capitalism has not failed and mankind's idea of socialism has not failed, rather its Stalinistic, bureaucratic-administrative distortion and the type of socialism based on it have failed. The party of democratic socialism regards it as its goal to achieve, together with all forces guided by the democratic and humanistic ideals of socialism, a socialist society which by its nature is just as opposed to capitalism with its increasing striving for profits, as it is to the administrativebureaucratic socialism of the Stalinist ilk.

In this way we wish to preserve by way of renewal that which we have created: social security, the right to work, a high standard of equality of opportunity for education, legal equality of the sexes, and values such as peace, antifascism, and solidarity. In equal partnership with all social and political movements, we wish to make social restructuring in the GDR permanent. As part of the democratic popular movement, we wish to take advantage of this historic opportunity without failing to recognize the risks involved in this revolutionary situation.

#### II. For a Modern Socialist Society

1. At a time when socialism finds itself in deep crisis all over the world and even many of its advocates are in despair, it is necessary, in our opinion, to recall the original idea of socialism—the true idea and not the one "as it exists in practice." It is the concept of a society without exploitation and oppression—a society of social justice, of freedom, of equality, and solidarity. All these ideas are closely connected with each other and one is not conceivable and cannot be realized without the other. For us, socialism by its nature is the creation of those social conditions under which "the free development of each individual is the condition for the free development of all." This cannot be the "work" of an enlightened elite, of a circle of all-powerful leading functionaries-rather the emancipation of people can only be brought about by the people themselves.

The nationalization of the important means of production and the real power to dispose over them are for us a fundamental precondition of socialist development. Without true democracy for the working people, without a state in which the law is supreme, and without social pluralism, however, there can be no socialism. The democratic socialism in our society which is advocated by our party is therefore oriented towards the unity of the modern, socially-controlled development of productive forces, social justice, free development of the individual, and preservation of the natural conditions for life.

2. Socialism only has a purpose if it addresses people's daily needs and desires as well as their hopes and longings, and if it creates the conditions to fulfill them. We therefore wish to work for raising the living standard dependent upon social and individual productivity, for society's providing social security for all, for meaningful and productive work for all members of society capable of working, for ensuring decent housing, working, and local living conditions, and for the restoration and preservation of the natural bases of existence.

We advocate improving the quality of life in the cities and villages so that social distinctions and the limitations upon satisfying the material and cultural needs of daily life are reduced, and so that the many local interests and democratic activities of the citizens in the local communities can come into play unhindered. The development of the advantages of urban and rural ways of life in their specific, unique ways, as well as of the unmistakable individuality of every city, every village, and every region of the country, is an essential element of the national culture, the source of local identity and the citizens' attachment to their native area. In this sense we understand socialism to be a modern form of civilized society.

Supported by our progressive traditions and that which has been accomplished thus far, we will work for equal educational opportunities for all and the systematic cultivation of talent and outstanding performance, for the satisfaction of diverse cultural needs, and for the cultivation of partnership relations among people of different social, political, national, racial, and philosophical affiliation. We regard ourselves as allied with all those in our country who preserve anti-Fascist values and wish to put them into practice in various ways, with those who oppose neofascism, the endangering of peace, racism, anti-Semitism, and xenophobia, and with those who oppose discrimination against the Roma and Sintis [ethnic Gypsy groups] and homosexuals.

We wish to commit ourselves to the creation of conditions which prevent people from becoming isolated, which prevent alienation, social exclusion, and the loss of a purpose in life. We profess our allegiance to the inviolability of the dignity of every person and therefore we work vigorously for humane forms of social conflict resolution, for a generally acceptable culture of political discussion, for the protection of biologically handicapped citizens and of social, political, and ethnic minorities, and for a humane penal system.

We advocate complete freedom of conscience and of religion, and the free exercise of religion without state interference. We value the various efforts on behalf of the cultivation and preservation of Christian-humanistic values and traditions. Our party vigorously resists any sectarian narrow-mindedness in its ranks in regard to dealing with believers and in relations with the religious communities. It expressly welcomes it when churches and religious communities, in the exercise of their responsibilities in society, take a position, in the appropriate manner, on the vital questions concerning people.

We proceed on the assumption that the fate of our country can only be decided in connection with the overcoming of the great, global problems facing humanity: guaranteeing and structuring world peace, preserving the natural environment, and solving the vital, humanitarian issues facing mankind.

- 3. We therefore do not understand socialism to be the translation into reality of a "model," but as a process of differing social and political forces struggling to create conditions in which:
- —Diverse and equal opportunities exist for the free development of every person's individuality, and for the fulfillment of his needs and abilities at work, during leisure time, and in daily life—in short: in all of society;

- —Workers, technicians and engineers, farmers, teachers, officials, scientists and artists, members of the armed organs, tradesmen and entrepreneurs, Marxists and Christians, youth and elderly persons, and all social and political groupings contribute their values and experiences to society. To utilize this richness for society requires democratic interaction in the competition for the best solutions;
- —It is a matter of creating a socially fair society based on performance and reward in which the principle of "From each according to his abilities, to each according to his performance" applies;
- —Socialism means the preservation and further development of all progressive values that the development of the productive forces entails, of democracy, and of the social, cultural, and spiritual life of human civilization; and
- -Lastly, socialism is only attainable when the alienation of man from power and property is overcome. Viable democracy in politics and the economy is an indispensable condition for this. It must include the striving for predominantly public forms of ownership of the means of production and the actual acquisition of them by those who produce if the goals of socialism are to be realizable in a comprehensive manner. Diverse forms of ownership of the means of production can be the basis of socialism in our country: the nationalized form, which will have to continue to be the dominant type, as well as the cooperative, the municipal, the ecclesiastical, and other community forms-together with the expansion of private ownership and that based on the individual work of craftsmen and tradesmen—and the development of new forms, such as private enterprises, joint operations, mixed-types of business, and forms of cooperation with socialist and capitalist partners.
- 4. With our advocacy of these kinds of relations we join the worldwide struggle of leftist and democratic forces for a liberal, democratic, and truly human socialism as an alternative to the capitalist societies dominated by monopolies. We regard ourselves as part of the international communist, socialist, and leftist movement. We agree with many of the values and goals of Social Democracy. We differ essentially from Social Democracy in our analysis of the necessary social preconditions (such as that of the issue of ownership) for the realization of these values. We seek cooperation on the basis of partnership with all democratic and humanistic forces.

## III. For an Economy Truly Guided by Social, Cultural, and Ecological Values

The daily concerns and needs of our country's people demand a fundamental restructuring of the economy. The cardinal problem of economic reform consists in the need to overcome mismanagement, overcentralization, and the economics of scarcity, and to set course in the direction of dynamic, flexible, and truly efficent conditions. Only on this basis can the living standard which

has been achieved be maintained, can waste of manpower and overwork on the job be avoided, and can a modern quality of life be achieved.

1. Life in modern society rules out an economistic and technocratic economic and social policy such as has dominated to date. For the repair of historical deficiencies, the solving of acute social problems, and the mastering of future tasks we need economic efficiency which is socially, culturally, and ecologically oriented. For this, a fruitful cooperation of all spheres of the life of society is necessary. Science and education, living conditions in the cities and villages, needs and their fulfillment, the natural and manmade environment, the cultural, artistic, media, and leisure time offerings, and the creation of relationships of democracy and solidarity must also be guaranteed and designated as a condition and prerequisite for economic development.

All economic activity must be directed towards the fulfillment and development of all the needs of people: the need for material prosperity and various kinds of enjoyment, for maintenance of the natural and cultural bases of life, for the preservation of physical strength and health, for social security and communication, and for intellectual enrichment and knowledge. The conflicts between these needs and the requirements of the various spheres of social life must be democratically managed.

- 2. A thoroug reform of our entire economic system is imperative. Among the most important tasks are:
- —Guaranteeing the right to work and real full employment that utilizes our great potential for competence and that promotes the development of individuality in the workplace;
- —The systematic elimination of imbalances and disproportionalities in the national economy and the stabilization of the economic situation to prevent an erosion of the economic foundations of our society:
- —The consolidation of the national budget as well as protection for currency stability and the international solvency of the GDR;
- —A new plan for the national economy which fully integrates the ecological restructuring of the economy and which makes a transition from the prevailing costly strategy of disposing of refuse and of warding off the negative effects of production and consumption on the natural environment, to a strategy of precaution and avoidance which largely shuns environmentally damaging developments; and
- —The systematic improvement of the infrastructure and of the entire system of providing services.

This economic reform must result in an economy and society that foster innovation.

3. The democratic principles of society should determine the manner in which the entire economic organism functions. That requires a thorough rejection of the administrative-centralized type of economy. Instead, it is essential to create a democratic, performance and market-oriented socialist economy. The starting point is the structuring of enterprises to be economically independent producers of goods with their own responsibility in the marketplace. The comprehensive application of the policy—as a fundamental principle of public interest in a performance-oriented socialist society—that each enterprise will earn its resources through its own production, forms the pivot and fulcrum of this process.

A key issue is the democratization of all decisionmaking processes. On the one hand, the transition to basic overall and selective-item planning at the level of the national economy which provides social authority to structural and sociopolitical concepts is a part of this. On the other hand, complete, independent responsibility on the part of the enterprises based on commercial contracts and economic ordinances is necessary.

We are not for dictating production, neither are we for spontaneous regulation by the marketplace which would inevitably result in sharp social contrasts. Society's standards of production and consumption should be clearly guided by the principle of equivalent value and performance, by social justice, and by ecological requirements. That necessitates a new formulation of the state's monetary, fiscal, and credit policy in conjunction with greater flexibility of prices and their dependence upon supply and demand based on a functioning market mechanism.

The successful development of the national economy is tied to its active participation in the international division of labor effort with all countries. The criterion for all foreign trade decisions must be the efficiency of the national economy and not, as has been the case to date, the offsetting of deficits. We advocate that the government determine the principal orientation of foreign trade policy and initiate legal regulations for the—primarily indirect—economic management of foreign trade relations and for the safeguarding of the GDR's national wealth. Within this context, the economic units should retain their freedom to make decisions regarding their foreign trade relationships and themselves bear the risks involved.

4. The Socialist Party of the GDR is for a new assessment of science and technology and particularly of the utilization of high technology. Social progress in our country urgently requires scientific-technical progress. The latter must set the standard for economic efficiency, must advance the humanistic content of work, must be appropriate for the abilities and skills of the workers, and must ensure ecological progress.

#### We therefore advocate:

—A democratic determination of the critical guidelines for the development of science and technology in accordance with our country's social needs and the global challenges facing mankind. Central strategies as well as social follow-up assessments of technologies are essential for this;

- —Implementing the scientific-technical revolution in well-balanced proportions for the national economy which utilize the local and structural advantages of our country in a purposeful way as well as restore the economy's competitiveness;
- —Efficient economic units with the requisite potential for the development and utilization of hightechnologies. At the same time, medium-sized and small innovative enterprises and supplier firms of all ownership forms are essential for a high degree of flexibility in the economy; and
- —New infrastructural solutions, both in the traditional infrastructures, as well as in those of the modern information and communications technologies.
- 5. Economic reform is directed towards developing the potential strengths of various ownership forms in society's process of producing what it needs. Our party is for the predominance of the public ownership of property and, at the same time, for equality of opportunity for all forms of ownership in economic competition.

Thus, in the case of craftsmen and the trades, in addition to short-term improvements in material and technical support, taxation, and the elimination of bureaucratic restrictions, a new legal code for crafts and trades is needed in the medium-term.

Establishing autonomy for the agricultural cooperatives and a greater degree of independent economic responsibility on the part of the nationalized agricultural enterprises are at the heart of reforming agricultural conditions. The farmers of the agricultural cooperatives should be able to act in their own best interests on the broadest possible scale. For this to happen, every restriction on their power to dispose over their property must be lifted and alienation from the land must be overcome. Inconsistencies among the areas of preparatory work, primary production, the food processing industry, and trade must be overcome through new forms of cooperation on a cooperative basis. Only through modernization of the material and technical basis of agriculture can a healthy nourishment of the populace be ensured in the future at a high standard of quality and with decreasing costs while seeing to it that ecological needs are met.

6. A basic problem for our economy consists above all in overcoming the manifestations of the workers' alienation from their property which has been brought about by the command economy. The workers and their work collectives must at last be able to exercise their ownership functions as a daily practice. The consistent application of the performance principle is a part of this. Without these preconditions the workers' will to work and produce and their creativity cannot be encouraged.

This renewal of public property makes new committees necessary in the enterprise to make possible democratic codetermination by the workers and their work collectives. We advocate social councils of workers and factory representatives, economic and welfare councils, and strong and independent labor unions to ensure—while preserving the manager's considerable authority—that grassroots consensus is arrived at. We are for a vigorous representation of the workers' interests by the labor unions.

7. The knowledge, abilities, and skills of people are our society's most important wealth. The Socialist Party therefore advocates the most efficient utilization of society's labor assets. The humanistic, constitutional principle of the right to work must be put into practice with economic reform. In this process, greater availability and mobility of the workers, on-going training and continuing education, and the purposeful utilization of labor force entrants become necessary while social guarantees are assured. The process of work itself—an optimally challenging job content which is conducive to the development of the personality and working conditions that stimulate a sense of well-being and pleasure in performing work-must be regarded as the immediate concern of an economic management that is committed to human welfare. Viewed from these and from economic perspectives, active work in the process of producing what is needed must be reassessed—for the purpose of fostering personality development and the striving for efficiency.

## IV. For a Radical Democratization and the Consisent Rule of Law

1. We see in the radical democratization of all areas of society the process of overcoming centralized-administrative structures and the restoration of the people's full right of self-determination. Elimination of the disasterous administrative entanglement of state and party is an urgent requirement. Guarantees against a renewed emergence of monopolistic control structures in politics, economics, and society will result from thorough democratization, openness, and democratic monitoring at all levels.

The political system to be created, as a true embodiment of the will of the working people, should offer all social forces and persons of various political shadings in society the opportunity of publicly stating their interests and, in an organized manner, seeing to it that they are represented, and of resolving existing contradictions. It must react flexibly to changes and must possess the capability of constantly learning political lessons as well as the ability to bring together diverse forces.

When the failed, monolithic political system has been replaced by a pluralistic political system, the danger could exist that the parties and independent organizations will see to it that only their own interests are represented and this may jeopardize social cohesion. The process of arriving at a consensus, the principle of

majority rule, constructive conflict, tolerance of and solidarity with the disadvantaged, and the preservation of the socially progressive tenor of all decisions—as the applied values of a political culture—can and must counteract this.

We reject the kind of competitive thinking which excludes opponents. It should be an aspect of the specific character of democracy in a socialist society—in comparison to bourgeois systems of democracy—that representative democracy be associated extensively and in various ways with new forms of grassroots democracy. The latter's access to the governmental decisionmaking process must be provided for by law.

- 2. In a democratically constituted society and under democratically established law, human and civil rights are the directives for acting. This applies in the first instance to respect for the dignity of man and his self-determination. We wish to advocate rights in our society:
- The right to work, to commensurate vocational training, and to a decent minimum wage. We advocate the social equality of the sexes and equal pay for equal performance and the like. We advocate the genuine implementation of such political and civil rights as freedom of the press, the freedom of art and science, freedom of conscience and opinion, freedom to form and join associations and organizations, and freedom to demonstrate.
- 3. With political reform we wish to contribute to the creation of a democratic state that is ruled by law and that is founded on a citizen's basic rights which are comprehensive, legally established, and actionable in a court of law. The nature and limits of governmental power should be defined in the constitution by the rights of the citizen. The party strives to put into practice the following fundamental principle: Everything is permitted to the citizen that is not expressly forbidden by the law; the state is permitted only that which has been legally provided for as its jurisdiction. The state must exist for the citizen, and not the citizen for the state. The citizens must control the state, and not the state its citizens.

#### 4. We advocate:

- —The unrestricted jurisdiction of the legislative bodies in their capacity as the supreme organs of authority, and free, fair, and secret elections;
- —An administrative reform including the reintroduction of the Land as a unit of the administrative structure in order to achieve increased autonomy, decentralization, efficiency, and the identification of the citizens with historical regional issues;
- —The separation of powers of the legislative, executive, and judicial branches. We are for recognizing a fourth authority: public opinion and the media. Public opinion includes openness to the public of all basic

governmental and social decisionmaking processes, and broad forms of social oversight, including citizen initiatives and citizen movements;

- —A political pluralism of parties (provided for by a statute regarding political parties), organizations, associations, and movements, and their assured influence on governmental decisionmaking processes, as well as public oversight of the latter; and
- —The resolution of fundamental issues by plebiscite, opinion polling, or popular referendum.

Our country needs a grand coalition of reason and political realism to find a way out of its deep crisis and for a democratization of its political and economic life.

#### V. For a Free Development of Culture

1. State-administrative socialism has shown that the development of society as a whole leads down a blind alley if its human dimension is not made the measure of things. The decisive issue is what opportunities and prospects does society provide for its members for their individual lives and for their living together in solidarity and how does it put them into practice.

The ecological restructuring of society, which will influence and change the lives of all citizens, is becoming a fundamental criterion of this. Alternative technologies and economic forms are a part of this restructuring, but it cannot be reduced to merely these. Thus, we acknowledge and support all grassroots ecological campaigns, activities, and movements for the preservation and cultivation of nature that will help assure the human rights of future generations through the preservation of the natural bases of life.

- 2. A political culture such as has come to the fore and gained worldwide attention in the revolutionary popular movement is a part of a modern civilized society. Radical changes have been brought about in a peaceful manner through courage and commitment. Citizen initiatives are a testimony to a sense of responsibility. The far-ranging dialog of people of different persuasions and the frankness of the media result in a new quality of social openness. Tolerance and a civilized manner of treating each other must be and remain elements of this new political culture. On the issue of a principled coming to terms with corruption and egoistic enrichment, we take our place in these proceedings.
- 3. Our orientation in regard to cultural policy is based on the real living activities of working people. For all, the efficient functioning of daily life is decisive for judging living conditions. We therefore advocate a renewal of culture as it applies to work and leisure time. We need a thorough restructuring of the work process that will enhance rewards, security, and a sense of the purpose of work for each and every person. People's needs and capabilities, as well as their health and all-round development, must be provided for by the creation of modern

infrastructures in the areas of transportation, trade, service, and communications.

The free physical and spiritual development of each individual, his intimate relations, and the collective social life are essentially determined by cultural offerings. Cultivated living arrangements, broad opportunities for cultural and athletic activities, varied artistic productions, and a yet-to-be-created culture, media, and leisure activity industry foster the opportunities for the development of diverse and alternative forms of living. We therefore advocate a culture of daily life which strives for an increased quality of life in cities and villages, in plants and institutions, on the streets and in the public squares. The decline of the historic city centers must be arrested and the integration of the villages into the life of their regions must be guaranteed. All of that is a basic condition for a vital national cultural life in which there is place for all interests and in which all interests can find organized outlets.

- 4. The diversity and coexistence of various group cultures and their interaction must be regarded as an essential driving force of culture. In particular, the state of our society's culture will be judged to a very considerable degree—today and in the future—by what the conditions are for the development of the female members of our society. It is a matter of the coexistence of men and women—freely and on the basis of partnership and equality—and of the creation of conditions which allow women to fully engage their personality and to perform leadership functions as well. This new wealth, which derives from the liberation of unique, feminine productivity, forms an elemental, basic value of modern civilized society which our party will fully take into account.
- 5. The mature people of the GDR must be aware of the totality of German cultural traditions in order to make them their own in a critically discerning manner. They need the experience of other national cultures because that is the way insights into human events are gained and hostile images of others are eliminated. Sorbian culture is a part of the GDR's multifaceted culture and the basis of its existence must not be restricted or threatened. All foreign citizens who are living and working in the GDR must be able to participate in the country's public life with equal rights and develop their own cultural identity.
- 6. Great importance attaches to the artistic, scientific, technical, pedagogical, and medical intelligentsia in modern civilized society. In counteracting tendencies to undervalue their importance, our party will respect and promote their creative participation in social development in the interests of all working people.

Prohibitions and obstacles in the arts have not only driven numerous artists abroad, but have also detracted from our artistic wealth. We defend artistic freedom and reject any form of hostility towards the arts. A trusting familiarity with the arts, the cultivation of all talents, and the systematic development of artistic appreciation

are our concerns. We particularly value artists as recorders of social change and of the condition of individuals.

The subordination of science to politics and incompetent authority caused us to become intellectually impoverished. Science must be autonomous and must freely development in order to be able to provide the foundation on which a modern society rests. We need a scientific basis in all areas without lapsing into a one-sided rationalism.

The education of the people is a critical cultural factor. To this end we advocate that the state guarantee equal educational opportunities for all—independent of the citizens' political and philosophical persuasions—and create the preconditions for the diversified development of their personalities and productive capacities. Hypocricy and double-dealing must be banned from education and the testing and grading system must be structured accordingly. The advancement of the less competitive and of the physically and mentally handicapped must be the humanistic concern of education and of the entire society.

Public health is of high priority for us. The limitations on its material and personnel basis must be systematically overcome. We continue to advocate free medical treatment and provision of necessary medicines.

7. The Socialist Party declares itself in favor of the kind of commercialization of cultural life that is oriented towards envigoration and enrichment. Economic difficulties and the rivalry of companies in the marketplace must not lead to an undermining of intellectual variety and high moral standards.

Spontaneous movements—which are to be encouraged—and grassroots democratic activities do not make government patronization of the arts superfluous. In our party's view, assuring a basic standard of support for cultural achievement as well as active cultural work abroad are included among the obligations of government.

#### VI. For Peace and the European Unification Process

The existence of the GDR, which is recognized by international law—and thereby the reality of two states on German soil—has to date been a crucial stabilizing factor in a peaceful European order. If this situation is called into question in the short term, the existing European balance of power and the interests of other states—as well as the interests of both German states and the people who live in them—could be adversely affected. It is true, however, that the conditions for the GDR's contribution to shaping the common European house have changed.

The GDR's economic, social, and political stability, and its peacefulness and ability to act in the foreign policy arena are essential elements for a peaceful European order and for the creation of cooperative security structures involving both blocs. Proceeding on this basis, we should strive for a community of agreements and confederative

structures between both German states in accordance with the interests of neighboring states and within the context of an overall European unification process.

The Socialist Party seeks the requisite consensus with all other forces in our country who bear responsibility for the state for the purpose of determining the GDR's place in this and its interests.

- 2. In the postwar period the GDR has played a role as a factor for peace and stability which is of historic merit and is valued internationally. Since the mid-1980's, precisely during a period characterized by changes of historic importance for the world, foreign policy has become ever more inadequate to meet the new needs as a result of autocratic ossification in domestic policy. The GDR's international prestige progressively declined. The alliance with the Soviet Union became ever more seriously stressed. A thorough overhaul of foreign policy is urgently needed. In our view, the basic guidelines for a renewal of foreign policy should be:
- —The complete elimination of the remaining risk of war and the establishment of mutual security for all peoples primarily by means of arms reductions to the point where offensive action is impossible, through demilitarization of international relations—including the transformation of both pact systems into nonmilitary alliances—and the general exclusion of the use of force in any form against other states and peoples;
- —Strict adherence to democratic international law and the Helsinki principles as the preconditions for orienting the overall system of international relations towards cooperation based on partnership for the prime purpose of accomplishing the tasks which face mankind:
- —Democratic socialism in the GDR requires openness to all stimuli originating in the experiences and values of other communities; and
- —The policy of new thinking in the Soviet Union and the development of new social movements in East and West provide favorable conditions for a coalition government and for the rejection of revengist, neo-Nazi, racist, and other antidemocratic tendencies.
- 3. As a result of World War II and heightened conflicts over the future of Germany, the division of the nation intensified. The GDR is as much an independent part of the German nation as is the FRG. We acknowledge the things we have in common with the other German state. We also do not ignore differences that have developed. The national question—as an issue of basic conditions and perspectives for national existence—requires new answers that are oriented towards the future of Europe. The awakening in our country provides the opportunity of making an alternative social and national existence—one that is committed to democratic socialism and that helps pave the way for new forms of social life—a reality. Our commitment to the national common interest and to a common European house is incompatible with exaggerated nationalism and

national intolerance. The rights and prospects of national minorities must also be guaranteed in the future.

- 4. We advocate that the relations between the GDR and the FRG be structured in the sense of a cooperative coexistence. The Socialist Party's course is defined by the affirmation that there exists a community of responsibilities that should be developed into a community of agreements. The GDR thereby keeps an open mind regarding future developments in Europe and contributes to the demilitarization and drawing together of Europe. This is also true for the idea of a confederation.
- 5. The variety and intensity of economic relations between the GDR and the FRG and the resolution of often complicated issues are a building lock for European relations in general, and in many respects can be a stimulus for the expansion of them. Berlin, as the potter's wheel of overall European and worldwide economic relations, must become the catalyst for closer and closer interrelationships. We are against the encapsulation of an economic area to the detriment of others. Cooperation in Europe includes coresponsibility for the solution of the problems of the developing countries. Intensification of cooperation within CEMA should, in our opinion, take the diversity of its members' interests and paths as a starting point. At the same time, that affords the opportunity of a steady approach to the Western European integration process. Opportunities for cooperation with and membership in existing institutions and agreements can be taken advantage of. A Pan-European economic area requires a social dimension—which is precisely something the Socialist Party is committed to.

#### VII. For a Modern Socialist Party

1. The SED [Socialist Unity Party of Germany] is itself in a deep crisis because its former leadership led society into this life-threatening crisis. Because of this, it has to bear serious blame and responsibility. In order to continue to exist, it must make a complete break with its former structures which were of a Stalinist character, with its understanding of the political process, and with its own understanding of itself, and reconstitute itself as a Socialist Party with a democratic character. It does not see itself as the exponent and executor of an historic natural law of socialism's victory, but as a political force which, proceeding on the basis of the interests of the working class and of those who engage in work, formulates socialist goals and fights for them—as a party of alliance of the working class, the farmers, and the intelligentsia for the purpose of achieving majorities to implement those goals.

The party derives its political vision of itself from the history and present situation of the German and international labor movement, from the revolutionary and democratic traditions of the German people, and from anti-Fascism.

It will be the task of the party to deal, in a critical and creative manner, with all the intellectual and political challenges of our time by striving to actively contribute to solving the problems which face us.

2. The party must develop its programs and policies on the basis of the most advanced findings of the natural and social sciences. It recognizes the freedom of scientific research from regimentation. In particular, its theoretical sources are based in the views of Karl Marx and Friedrich Engels and in the subsequent further development of Marxist thinking in its diverse expressions.

With its insights and positions, the party submits—within its ranks and within society—to the constructive competition of ideas and to public discussion. It confidently presents its perceptions and political goals but makes no claim to a monopoly on the truth. The orientation of our party politics towards Marxist positions does not mean that a particular philosophical creed is a prerequisite for membership in the party. It is important to develop pluralism of views as a principle of collective understanding and at the same time to avoid factions which will break the party apart. The party's ability to act does not spring from a centralized command structure, but from a democratic process of achieving a consensus which begins at the grassroots and proceeds upwards, and from the ability to implement majority resolutions.

3. In society's political system, the party views itself as an equal partner with the other parties and movements that stand on the foundation of our country's constitution. While it rejects any claim to a leadership role, it strives, with its theoretical-strategic contribution and its political achievements, for appropriate influence in society. It endeavors to gain the confidence of the broadest segments of the people.

In our view, the solution of our society's problems in a socialist manner satisfies the interests of broad segments of the workers and the people. We need a Socialist Party for that. We also need it in oder to help fashion a viable, democratic, and socialist alternative on German soil which—if it succeeds—will also be of importance for the European left. The party, in accordance with its traditions, associations, and goals, includes itself in the spectrum of Eurpean leftist forces.

A strong Socialist Party is therefore in the interest of the future of the GDR and of the socialist movement in Europe.

#### **CDU Publishes New Party Statutes**

90EG0093C East Berlin NEUE ZEIT in German 18 Dec 89 p 6

["Statutes of the Christian Democratic Union of Germany [CDU]," presented to the CDU special party congress in East Berlin.]

[Text]

#### 1. Self-Definition

The Christian Democratic Union of Germany (CDU) is a party of citizens who are guided in their actions for the good of society by a Christian sense of responsibility, by religious concepts of morals and values, and by humanist ethics. The CDU advocates:

- -Peace in freedom and justice;
- —A market economy with a commitment to ecological responsibility;
- —The unity of the German nation—within a German confederation as a transitional phase—in a free and united Europe based on the right of self-determination of peoples.

#### 2. Membership

- 1. Membership in the CDU is open to any citizen of the GDR who: a) has attained the age of 17 years; b) accepts the political goals and the fundamental principles of the party's program; c) is prepared to exercise the rights and fulfill the obligations stipulated in the statutes; and d) is not a member of another party.
- 2. Admission of a member is accomplished by way of a written application and a resolution by the appropriate local party organization. Admission should be preceded by an introduction of the applicant at a general membership meeting. An objection can be forwarded to the Kreis executive committee.
- 3. Members who are absent from their primary place of residence for longer than six months may participate in the local party organization in their secondary place of residence.
- 4. Members are recorded in a central membership registry.

#### 3. Member's Rights and Obligations

- 1. Every member has the right: a) to participate in his local party organization's meetings and in the party's political education events, to take part in advisory bodies, to contribute to the process of forming a political consensus within the CDU, to submit proposals, and to participate in passing resolutions; b) to stand as a candidate for party offices in accordance with these statutes and the CDU's election regulations; c) to seek a mandate in legislatures through election; and d) to address all party executive committees with proposals and suggestions for the improvement of party work and for the increase of their effectiveness, to express criticism of their work, and to demand their objective consideration and counsel.
- 2. Every member has the obligation: a) to promote the goals of the CDU, to perform conscientiously and to the best of his capabilities the tasks he assumes, and to give an accounting of them to the appropriate party organization; and b) to pay membership dues in the amount stipulated by the regulations on membership dues.

#### 4. Honors

1. Deserving members can be elected honorary members of the CDU's executive committees. They are

- entitled to participate in the meetings of their executive committees with an advisory vote.
- 2. The party executive committee will establish regulations concerning the procedures for appointing honorary executive committee members as well as for bestowing other honors on deserving members.

#### 5. Termination of Membership

- 1. Membership expires through death, resignation, cancellation, or expulsion.
- 2. Resignation from the party must be declared in writing to the local executive committee.
- 3. Cancellation of membership occurs when, despite repeated consultations, obligations are not met but no harm has been done to the party. It is decided upon by the Kreis executive committee at the recommendation of the local organization.
- 4. Expulsion from the party can only occur as a result of a party proceeding.

#### 6. Party Proceedings

- 1. A party proceeding can be instituted by the executive committee when a member intentionally violates his obligations as set forth in the statutes or causes injury to the party's reputation by his conduct.
- 2. The monitoring commissions at the Kreis-level and higher have jurisdiction for the conduct of party proceedings as well as consideration of applications for dismissal of charges. They act in accordance with the regulation on the conduct of party proceedings.
- 3. The following decisions can result from a party proceeding: a) warning; b) reprimand; and c) expulsion.

#### 7. Party Structure

- 1. The CDU is subdivided into local, Kreis, and Land party organizations. In larger cities, urban district organizations can be formed in conformity with the municipal government subdivisions. Urban district organizations are equivalent to Kreis organizations.
- 2. All CDU executive committees are elected by direct and secret ballot.
- 3. Each executive committee is fully responsible for political work in its area of jurisdiction. This applies as well to the nomination of candidates for election to legislatures and to the nomination of persons to fill public offices.
- 4. There is a right and an obligation to exchange information among and between party organizations on a reciprocal basis.
- 5. Members participate in advisory groups and work teams within the party organizations in accordance with their abilities and interests.

- 6. The monitoring commissions at the Kreis, Land, and central level monitor compliance with their statutes.
- 7. The party assists and supports the political activities of associations that are politically close to it.

#### 8. Leadership Organs of the CDU

- 1. The supreme authority of the CDU is the party congress. It is held at least once every four years. It is made up of the delegates elected by the Land party congresses, the members of the party executive committee and the presidium, as well as the chairman of the monitoring commission.
- 2. The party congress has the following responsibilities: a) to accept and approve the report of the party executive committee; b) to deliberate on and formally adopt the party program, statutes, regulations, and provisions for the work of the executive committees—particularly as it applies to legislative elections; c) to elect: the chairman; the general secretary on recommendation of the chairman; the treasurer; and other members of the party executive committee. d) to elect the chairman and eight other members of the monitoring commission.
- 3. The number of party executive committee members is to be determined by resolution of the party congress prior to voting. It is not to exceed 90 members.
- 4. The party congress must be formally announced at least 12 weeks prior to its commencement.
- 5. The party executive committee is required to convene a special party congress if such is demanded by more than one-third of the party membership or by a majority of the Land executive committees. Special party congresses may be called at short notice and delegates to them are directly elected at Kreis party congresses.
- 6. The party congress will have rules of procedure.

#### 9. The Party Executive Committee

- 1. The members of the party executive committee are: a) the chairman; b) the four deputy chairmen; c) the general secretary; d) the treasurer; e) the other elected members of the presidium; and f) members elected by the party congress.
- 2. Members of the presidium of the People's Chamber who belong to the CDU, the chairman of the party faction in the People's Chamber, members of the government who belong to the CDU, the chairmen of the Land organizations, the press spokesman, and the department heads of the party executive committee secretariat—insofar as they have not already been elected as regular members—participate in the meetings of the party executive committee with an advisory vote. Likewise, two representatives of the independent Christian-Democratic Associations, which are closely affiliated with the CDU, as well as the chairman of the monitoring commission may participate from time to time.

- 3. The party executive committee has the following responsibilities: a) to direct the party between party congresses; b) to pass resolutions regarding fundamental political issues, the activity of the CDU faction in the People's Chamber, and problems of the government program between party congresses; c) to nominate candidates for election to the People's Chamber, to etermine their order on the slate, and to nominate candidates for election to central government offices; d) to compile regulations which require approval by the party congress (including election and financial regulations); e) to convene party congresses; f) to receive reports from the presidium, the People's Chamber faction, and members of the government; g) to appoint three auditors; and h) to receive and approve the financial audit report and formally release the party executive committee secretariat from liability.
- 4. The party executive committee convenes at least four times per year. It will have rules of procedure.
- 5. The party executive committee ratifies the appointment of the press spokesman on recommendation of the chairman of the CDU.

#### 10. The Presidium of the CDU

- 1. The presidium consists of: the chairman; the deputy chairman; the general secretary; the treasurer; the chairman of the parliamentary faction; the members of the government; the chairmen of the Land organizations; other members directly elected by the party congress; and the press spokesman.
- 2. The presidium has the following responsibilities: a) to direct the party between meetings of the party executive committee; b) to prepare and evaluate party executive committee meetings; c) to pass resolutions regarding fundamental political issues—in particular in regard to the fulfillment of responsibility in parliament and in the government; and d) to appoint the department heads of the party executive committee secretariat, the director of the Burgscheidungen Educational Institute, and the heads of the academic work groups in the office of the party executive committee.
- 3. The presidium will have rules of procedure.

#### 11. The Party Chairman

The chairman leads the party. He has authority to issue general instructions.

#### 12. General Secretary

a) support of the chairman in the preparation and implementation of the resolutions of the party executive committee and the presidium; b) provision of information to the executive committees regarding the work and resolutions of the party executive committee and the presidium, and provision of information to the party executive committee and the presidium regarding work

and developments in the local, Kreis, and Land organizations; c) cooperation with the leaderships of associations which are politically close to the CDU, and with the churches and religious communities; d) maintenance of contacts with political parties, social associations, and government agencies; d) cultivation of international relationships; and e) providing information to the party executive committee regarding the personnel policy situation in the party.

#### 13. Managing Secretary

The managing secretary directs the party executive committee secretariat, which consists of departments and academic work groups. Its operations are covered by procedural rules. The managing secretary is elected by the presidium.

#### 14. Treasurer and Party Financing

- 1. The party's receipts and expenditures must be balanced in regard to cash holdings on an annual basis. Financial operations will be conducted in accordance with the principles of frugal housekeeping.
- 2. Receipts and expenditures are to be summarized annually in a financial plan and approved by the presidium.
- 3. The treasurer is responsible for the party's finances.
- 4. An accounting of the use of the party's fiscal means will be rendered annually by the appointed auditors to the party executive committee. The report will be approved and formal release from liability will be granted. These conditions are to be fulfilled within a specified period of time.
- 5. The treasurer has the right, based on the authority of the financial and membership dues regulations, to issue guidelines regarding finances that are also binding on the Land and Kreis organizations.
- 6. The chairman or the general secretary, together with the treasurer, represent the party in financial matters in relations with third parties. This applies as well in the case of party assets. Obligations on the part of the Land and Kreis organizations are included in this provision in accordance with paragraph 14 (5).

#### 15. The Press Spokesman

The press spokesman is elected by the party executive committee on recommendation of the chairman. He represents party policy and the decisions of its authoritative bodies to the media by providing information about them and interpreting them. He is responsible for party periodicals, publications, and publicity.

#### 16. Economic Establishments

The party is the proprietor of enterprises, periodical, book, and art publishing houses, and other economic

establishments, or has a participatory interest in them. They are joined together in an economic association.

#### 17. Party Headquarters and Representation

- 1. The headquarters of the party is in Berlin.
- 2. The party is a legal entity. In legal matters it is represented by the chairman, and in his absence by the general secretary, and in financial matters by the chairman or the general secretary together with the treasurer.

#### 18. Land Organization

- 1. The party is composed of Land organizations.
- 2. The Land organization is responsible for all political and organizational tasks within its jurisdictional area.
- 3. The supreme authority of the Land organization is the Land party congress. A Land party congress will be convened at least once in three years. It is officially called by the Land executive committee and is composed of the delegates elected by the Kreis party congresses and the members of the Land executive committee and the Land monitoring commissions. The Land party congress adopts the statutes of the Land organization and all documents necessary for the conduct of political work.
- 4. The Land organization statutes are to uniformly establish the following for the individual Land organizations: a) the scheduled dates for party elections in all the party organizations within the Land; b) the procedures for nominating CDU candidates for municipal, Landtag, and People's Chamber elections; and c) the procedures for the formation and dissolution of Kreis organizations.
- 5. Resolutions and actions of the Land organization may not be contrary to the statutes and program of the party.
- 6. The statutes of the Land organizations and all statute revisions require the approval of the presidium. The review will be limited to potential violations of legal provisions, the party program, and the statutes and regulations of the CDU. A decision must be made within a month of the adoption of the statutes.
- 7. The Land party congress elects the delegates to the party congress.
- 8. The leadership structure of Land organizations correspond to those of the national party.
- 9. The Land organizations conduct their legal and financial affairs according to their own regulations subject to paragraph 14 (5).

#### 19. Kreis Organization

1. The CDU Kreis organization encompasses the territory within the borders of an administrative Kreis; it can also include several administrative Kreise.

- 2. The responsibilities, procedures, structure, and financing of the Kreis organization are established in the respective Land statutes concerning the Kreis organizations.
- 3. The Kreis party congress and the Kreis executive committee are organs of the Kreis organization.

#### 20. Local Organizations

The responsibilities and rights of the local organizations derive from the Land statutes.

#### HUNGARY

## MSZP Journal Buries Stalinism as 'Historical Dead-End'

90EC0141A Budapest TARSADALMI SZEMLE in Hungarian November 89 pp 3- 18

[Article by Tamas Szentes, member of TARSADALMI SZEMLE editorial board and professor of economics at Karl Marx University of Economic Sciences: "The Stalinist System: A Historical Cul-de-Sac"]

[Text] The Stalinist system originally came into being as a consequence of (a) the historical circumstances and social heritage of Eastern European, or even Asiatic, underdevelopment, or as an attempt to break out of such underdevelopment; (b) a sense of vulnerability due to the international atmosphere inimical to socialism or (subsequently) made inimical by the latter, or under the isolating circumstances of the cold war; (c) a mistaken view of socialist transformation, (due in part to the above factors), a fatal distortion of the concept of socialism, and the forced transplantation of this into practice; and (d) grave trespasses and power abuses on the part of the leaders in the course of implementing the above ideas. In other words, the system owed its existence to the combined effects of local historical-social heritage, international circumstances, and distorted principles and leadership sins.

It would require a separate detailed study to analyze how the rise of the Stalinist system was connected on the one hand to the underdeveloped state of Russia and the Asiatic republics, and the inheritance of the Czarist empire's system of institutions, political culture, social traditions, backward economy, and bureaucratically organized administrative network, and, on the other hand, to the violent attempts to break out of historical backwardness, intensively using its conscientious and institutional elements, under the circumstances of isolation. It would similarly deserve a separate analysis to reveal the empirical factors of the mutual connections between the development of international conditions and the rise of this system, as well as research into the types of precedents for the Stalinist distortions of the socialist concept in the previous ideological literature of Russian and international Marxists, and in international political practice. Nowadays, more and more facts are being revealed, and there is an increase in the number of

publications in this area that contribute to the "description" and clinical history of Stalinism.

#### Military Order, Dictatorial Authority, Twisted Ideology

In addition to numerous other characteristics of Stalinism, which have been expertly revealed and richly illustrated in professional literature (and perhaps even defined and summarized in them), this system can be characterized first and foremost by a militarized order of society (similar to fascism in many aspects), which is connected to actually existing or purported external circumstances and international situations, the twisted and increasingly anachronistic concept of "society in one country" and a "bipolar world view," equating the historical struggle between socialism and capitalism with a confrontation between two groups of countries, the Stalinist concept of two opposing "global orders."

Beyond the hypothesis that society's transformation through an increasingly sharpening class struggle calls for a domestic "war," the vanquishing of the internal enemy that requires a military type of mobilization, its inner logic is bolstered by the supposition (in part historically proven, and later mistakenly generalized) that if the socialist revolution is victorious in certain economically backward nations, then the new authority in these countries will find itself threatened by hostile international capitalist surroundings; even during peacetime, a state of undeclared war, or a state of impending siege, will exist.

In the beginning, it was on the basis of this supposition that the economy was organized as a war-time economy and was artificially developed. This was used as rationalization for the elimination of spontaneous processes, the central distribution of internal resources and products, the system of detailed plan instructions, the striving for autarchy, etc., as well as the military organization and discipline in all spheres of society, the hierarchical and pervasively monopolistic structure of authority, the repression or disabling of civilian society, the demands for subservient obedience and constant watchfulness, the army-like show of equality among "enlisted personnel" and the combination of privileges characteristic of the "officer corps," the monopoly of officialized ideology, the thwarting of all influence exercised by all deviant or alien ideas, cultures, and religions, and the military style of organization and internal mechanism of the party that came to be totally intertwined with the state authority's hierarchical structure. All of these, of course, are in sharp contrast with the original aims and nature of socialism. And perhaps that was why there was a need for such, often convoluted, ideological rationalization that frequently tied each trait of the militarized system to the (by and large manipulated) requirements of the transition to socialism.

The most common earmarks of this system, which have determined each of its other characteristics, are:

a) Isolation from and confrontation with the external world, as well as a concomitant militarization and a more or less permanent state of emergency;

- b) Compulsory voluntarism, or artificial and forced efforts by state authorities to accelerate the process of socialist transformation and the economic and technological modernization aimed at "catching-up" and overcoming traditional backwardness, (through such means as large-scale appropriations, exaggerated stockpiling, forced industrialization, and wastefully extensive use of resources);
- c) Hierarchical and monopolistic power relationships, combined with the intertwining of the party and the state, the dictatorial suppression of "civilian" society, the degradation of citizens to the level of subjects, and the smothering of their individual personalities.

As further peculiar characteristics of this system, we may also mention these (not discussing, for the time being, certain actual accomplishments that have been achieved during, and in spite of, the system):<sup>1</sup>

- —Economic autarchy and a centralized method of plan directives (characteristic of war economies), the elimination or severe repression of the marketplace, record keeping and distribution based on misleading statistics, the prevalence of primitive egalitarianism and needs restricted to a minimal level, the reproduction and privileging of consumer shortages, the paternalistic relationship between the state and enterprises, the extensive centralized system of withholding and reallocations, and the neglect of development in the spheres of agriculture and the infrastructure (or its subordination to the demand of industry, especially those of military production).
- —The withering away of the party as a movement, (resulting from the pervasive intertwining of the state and party apparatuses), its subordination to state authority, and the latter's utilization for the dictatorial purposes of the party leadership, bringing about the subordination of the membership and the elected bodies to the apparatus;
- —The "heavy-handed" regulatory role of the state and legal authorities<sup>2</sup>, the proliferation of the bureaucracy;
- —Treating social forces which had originally been considered allies and nonparty members in general as "second-class citizens" or potential or actual enemies, and excluding them from the decisionmaking process;
- —The denial of pluralism in all areas (in representing and implementing society's aspirations, as well as in the spheres of theory/ideology, art, and literature), the monopolistic implementation of a single ideology determined from above, the distortion of Marxism into a "state religion," the removal of dissenting thinkers and artists from public life, the frowning on the critical spirit, the domination of servility and apologists, and the use of administrative means in the treatment of the relationship between the state and the churches;
- —The severe curtailment of civic rights (those of expressing opinions and aspirations, of assembly and association, of obtaining information, of maintaining

contacts and traveling abroad, of emigration, and even of changing places of employment and residence), the maintenance of intensive personal quasi-feudal dependence relationships that pervade society, an atmosphere of intimidation and suspicion, the practice of abusing the laws and an uncheckable, even incomprehensible, multitude of decisionmaking mechanisms combined with the widespread practice of counter-selectivity and corruption.

It might be added here that these traits of Stalinism follow each other quite logically, that is, generally from the Stalinist concept of socialism that has been distorted as a result of the above-mentioned historical inheritance and international circumstances, and from the theory of "socialism in certain countries." After all, if it is conceivable that socialism (and even communism) can be realized in one country, in spite of isolation and permanent external threats, while the same country must also overcome its backwardness, and must even strive to catch up with the (most) developed capitalist countries, this logically leads to the voluntarist policy of artificially accelerated stockpiling and economic development, the war-economy-like practice of comprehensive supervision from above, the intertwining of state and party, the simplified legalistic interpretation of institutional and administrative legalities and socialist property relations, and the handling of social property as state property. In general, this leads to the view of the party controlling social development as the exclusive and monopolistic holder of authority, condemning all other social organizations to the role of "transmitting" instructions to the masses, identifying state interests with those of the social community (combined with repressing, denying or smothering all other individual or communal interests), in other words, the creation of an antidemocratic, etatistbureaucratic mechanism.

Of course, application of the Stalinist conception was not limited to the internal order of one, or several, countries that have chosen to progress toward socialism; it has also encompassed views of synchronizing global society's socialist transformation. According to this, the global spread of socialism would take place in such a way that more and more countries would "tear themselves away from" the capitalist world order, not only in that they would initiate the development of a new socialist order internally, but also in that they would isolate themselves from the rest of the world's economy, creating either an internal autarchy or, joining other countries that "broke away" in a similar manner, a group autarchy. Within such a "closed" system, completely independent of the capitalist world order, or even opposed to it, under the protection of military and internal security organs, they would autonomously accomplish (by copying, to the fullest degree, the Soviet model) the full-scale nationalization of the means of production and the incorporation of economic leadership into a unified system. With the development of the means of production thus accelerated, these countries would overtake and, sooner or later, surpass the capitalist societies whose markets would

shrink and whose internal market economies are ruled by anarchy. This, in turn, would add fuel to their crises, and would bring on their revolutionary transformation.

In other words, by breaking away from the capitalist world order and its economic effects, these countries would create not only a military alliance, but also a new, "second" global economy system, which would guarantee them protection and quick development. The socialist transformation of world society would proceed in tandem with the increase in the number of countries moving from the capitalist to the socialist global system, which would deepen the "general crisis" and decline of the capitalist world. The division of the world's economy and marketplace and the enrollment of two groups of countries into two opposing military blocs would transform the historical competition between capitalism and communism into an all-encompassing struggle between the two blocs, the "two world systems." In the arms race this would suggest holding firm at all costs, increasing one's own security by reducing that of the opponent and supporting all forces that would destabilize its position; while in economic life it would lead to the rise of a "catch-up complex." A country's relationship with the leading nation of the "socialist global system," its loyalty to an alliance system, would express its relationship to the cause of socialism.

According to such a vulgar-Marxist ideology, the autonomous way of building socialism in one or more countries defined by national or state borders, in societies closed off from the outside world, could not only be successful but could lead, sooner or later, to the building of communism, also within the borders and also independent of global changes. This would also presuppose the elimination of commodity and money-based relationships, the disappearance of differences between cities and villages, and the end to the distinction between physical and intellectual labor. Guiding the transformation of society in a monopolistic manner intertwined with the state, the party, that is, the party's leadership, (based on the state ownership of the means of production and their centralized operation, and through a centralized system of control over society that excludes spontaneity) would be practically free to determine, in a voluntarist manner, the time for initiating the development of "communist" relationships.

Attempts to carry this kind of logic to its extremes are, of course, a rare phenomenon, and were perhaps best exemplified by the Pol Pot experiment in Cambodia. That attempt, similar to the situation in today's Romania, however, illustrates not only the final outcome of a societal transformation implemented from above—among circumstances of isolation and in opposition to the people's will and ignoring realities—but also the consequences of combining state ownership of the means of production with a voluntarist antipeople political authority.

In most countries Stalinism sooner or later went through considerable changes. However, since even the post-Stalinist systems preserved certain basic traits of the system until the most recent times, in this general analysis we will forego (an otherwise quite necessary) differentiation among these countries.

#### The Bipolar World View and What Resulted From It

The Stalinist system and its concept of socialism, which (as pointed out above) could not remain in effect for long anywhere in its undiluted form and with the negative aspects outlined above, had a profound effect on the development and interpretation of international circumstances.

The concept of feasibility for establishing socialism in certain countries and the hypothesis supposing that the numerical growth and identical development of socialist countries would bring about a change in world society quite logically led to the thesis of a hierarchy within "global revolutionary forces," and to the the thesis of identifying one's relationship to the Soviet Union with one's relationship to socialism, as well as looking at the peaceful (that is, cold war) competition between developed capitalist and socialist countries, the permanent conflict, and, in the final analysis, the shaping of power relations between the two military blocks, as representative of the historical competition between capitalism and socialism.

As is well known, the top position in the purported hierarchy of "global revolutionary forces" was occupied by the Soviet Union and the "camp" of socialist countries under Soviet leadership; that is, the communist parties that have already assumed power and adjusted their positions to that of the Soviet party. The middle ranks were filled by the parties that were fighting for power in the developed capitalist countries and recognized the leading role of their Soviet counterpart, while the bottom rung of the ladder was occupied by those national or democratic liberation movements that have been designated as "the natural allies" of the Communist-led international workers movement.

It is no wonder, then, that according to this logic certain feudal dependency relationships developed and survived (or were hypothesized for some time) among the communist parties, as well as among the nations controlled by them, or that bourgeois public opinion judged the communist parties and movements in the nonsocialist countries (which maintained close contact with the Soviet party) to be "Moscow's fifth column," or at least unpatriotic forces that were ready to sacrifice national interests on behalf of communist internationalism, while treating the nations that had become allies of the Soviet Union as Moscow's vassals. It was due to the same consideration that many people explained the antiimperialist movements of the "Third World," especially the anti-American or anticapitalist nationalist endeavors and revolutions, or even the widely divergent explosions attributable to internal tensions, as manifestations of a worldwide communist conspiracy.

Such evaluations and representations were due in part to the exaggerations and manipulations of anticommunist propaganda. However, the latter could hardly have been so effective if there was no distortion in the relationship of parties and movements that had had considerable solidarity to begin with. (A separate analysis could be devoted to the deteriorating effect of the hierarchical relationship on the political chances and domestic reputation of the communist parties in nonsocialist countries, and the extent to which this contributed to the decay of the international workers movement.)

Those parties, on the other hand, that refused to recognize the leading role of the Soviet party and the resulting hierarchical relationship, had to expect to be excommunicated, or even declared primary enemies and traitors (which was the treatment received by the party of Yugoslavia after the Cominform resolution).

No more leniency was evidenced in the treatment of those parties and movements (such as every social democratic organization), which prescribed from the start to an entirely different course of societal transformation and realization of a socialist system of values, and doubted not only the general validity and applicability of the Stalinist model and the Soviet practice, but even its socialist content. In spite of their critique aimed at capitalism's self-mobility and inherent laws, their efforts to limit capitalist spontaneity, counterbalance the effects and consequences brought on by capitalism's internal laws, their class basis that was initially identical with that of the communists, or even their class origins and orientation, these parties were considered more dangerous by the Stalinists than the genuine forces of capitalism. The situation was almost identical with the practice of medieval Christian churches, when heretics worshipping the same God, but in a different manner, were hated and persecuted more vehemently than godless pagans.

The phenomena occurring in the international development of Marxist social sciences were similar; moreover, their effects were even more decisive. Just as the inner logic of Stalinism's operation resulted in the degradation of Marxism, the officially declared ideology, to become the apologetic "agit-prop instrument" for the abuse of power, so the logic of Stalinism's international role and the supposition of a hierarchical order of global revolutionary forces led to the practice of ideological expansion as a sort of "proselytizing," and the development of a sort of global "religious," that is, "ideological," order. Only the center of this order was empowered to proclaim, voice, strengthen, or alter the dogmas of this order, and only the center could consecrate or excommunicate its "priests."

The practices of a priori classifying all social science writings originating in the socialist countries, and especially in the Soviet Union, to be genuinely Marxist, and generally equating ideological parameters with state borders, caused immeasurable harm to the international development and prestige of Marxism, as well as the progress of social sciences within the socialist countries. After all, it prevented the publication of views and critical analyses that could not be officially sanctioned, and especially those that were officially undesirable, and it isolated

scientific life from international resources and communication, and research from factual data that were declared to be military secrets. Promoting Marxism to a state religion and placing it in a situation of monopoly in itself had a generally deteriorating effect on the growth of that fundamentally critical and polemic theory. Its dogmatic distortion and degeneration was not only, and not primarily, manifested in declaring certain observations made by Marx, Engels, or even Lenin (which were valid in a given context, at a given place and time) to be eternally valid dogmas, but also in approaching and validating everyday matters in accordance with the dogmas thus created and pragmatically reinterpreted. Ideologizing practice necessarily led to apology, while the agitational and propaganda orientation of theoretical work a priori demanded a simplified approach, the representation of the enemy as evil, a black-and-white view of a colorful, complex, and contradictory reality, that is, the elimination of Hegelian-Marxian dialectics.

Identifying the global historical struggle of social systems with the confrontation and competition between two groups of nations and their military blocs resulted in the representation of a simplified bipolar world, presaging furthermore the division of global society, the development of "two global systems" and "two world markets," hypothesizing the existence of comprehensive enmity between the two poles, that is, the two systems. In such a world view, any other factor and relationship could only be subordinated to the two poles and their relationship.

The relationship between socialism and capitalism was interpreted primarily as one of military might, and even when talking about economic development and competition, stress was placed on how they influence military potential, because the system's logic contained the hypothesis that countries with opposing social systems a priori represent threats to each other. The desire to counter such a military threat, on the other hand, meant that preparing for a war, keeping pace with the arms production of the opponent, striving to maintain a balance of power, and deterring the enemy with threats were acceptable responses in accordance with Stalinism's logic. In other words, what came to dominate was military conception that had been effective for a while, but which was clearly oversimplified and increasingly dangerous, and which not only called for the steady strengthening of outward defense machinery but also that a strengthening of internal law enforcement and an oppressing apparatus.

In this context, and according to this logic, the principle of "peaceful coexistence" may have been an undoubtedly progressive (if not hypocritical) slogan counterbalancing the preparation for war, but it neither embodied the principle of peaceful coexistence nor did it exclude the presupposition of hostile relations, or even the sharpening of cold war conflicts.

Since developments and changes that took place in regions away from the two poles and outside the two blocs, in the "external arena," also brought about real or

purported hopes or threats concerning shifts in the balance of military power, the local or regional conflicts of the "Third World" or even political changes in regimes and governments within the countries tended to appear, and were evaluated, by and large as they related to the East-West global confrontation, contributing at the same time to the escalation of the conflict and raising the threat of outside intervention.

Of course, it would be a great oversimplification to attribute the arms race and the cold war exclusively to the logic of Stalinism, or to claim that countries of the "Third World" were hindered in their autonomous progress and choice of development exclusively by the policies of the socialist countries. It is a historical fact that when the Soviet state and other council-based republics were established, the Western powers launched large-scale military excursions against the new system, and even later they frequently exhibited their hostility toward socialist or nationalist-democratic movements and regimes. In other words, the West shares to a considerable degree in the responsibility for the distortion of international relations that led to an insane arms race, global militarization, and the rise of a cold war atmosphere.

It is, of course, undeniable that for a long time international developments by and large coincided with the logic of the Stalinist socialism concept and system. Even aside from its origins, this congruence or correlation is noteworthy. As the Stalinist or post-Stalinist system's situation became, or was presented as, increasingly vulnerable, the system's innate logic and its militarized, domestically oppressive, and externally isolationist nature became more intensive. And the more the latter was manifested, the more it evoked the sense of being externally threatened by hostile attacks, interventions, or destabilizing attempts.

## The Severe Internal and External Troubles of a Manipulated System

The Stalinist system, and the concept of socialism that manifested and supported it, led unavoidably to a crisis both in the domestic lives and external contacts of the societies involved, as well as in international relationships. To be sure, for a long time the behavior and reaction of the leading capitalist powers seemed to justify the existence of the Stalinist system, as consequent from the correlations mentioned above. The military force created in opposition to capitalism appeared to guarantee continuing socialist progress and the beginning of such progress in additional countries. Moreover, developments in the capitalist global economy, the negative effects of its crisis and reorganization, and the changes in global market that were generally unfavorable for socialist countries, made many people believe in the correctness of isolation and national or "bloc" autarchy which, as we pointed out, were major components of the Stalinist ideology.

In fact, however, the practice associated with this ideology came into sharp conflict (not only in the thinking of its original opponents, but also in that of its initial adherents) with socialism's originally proclaimed goals, no matter how much these goals were manipulated by the regime, leading to an accumulation of discontent, disenchantment, sociopolitical tensions and, in certain cases, to explosions, revolutions, uprisings, and mass demands for change. At the same time and, of course, in tandem with these developments, the actual course of external contacts, the development of the global economy, and the transformation of international relations did more than diminish the major conditions and stability of the Stalinist and post-Stalinist regimes; they also made it ever more evident that the logic suggested by Stalinism's ideology concerning the conflict and security of social systems was irrational, anachronistic, and increasingly dangerous for humanity.

The isolation of Soviet society was first breached by the events of World War II, and the meeting of the Red Army's soldiers with the people in the recently liberated countries significantly reduced the effectiveness of Stalinism's false propaganda. After the war, even during the most confrontational years of East-West cold war and isolation, the Soviet Union's increased role in international diplomacy and especially its relationship with the other, younger socialist societies, and later with the nations liberated from colonial rule, contributed to loosening, at least in certain areas and to a certain degree, the regime's closed and isolated character. This observation applied to the other socialist countries, too; moreover, some of them were, or remained, more open toward the outside world. The (hesitant and, at times, halting) process of detente had an even greater influence in this regard.

In spite of the remaining limitations, the relative normalization of relations between nations of East and West, and the spreading of contacts beyond commerce into areas of human and cultural interest such as tourism, communication, etc., brought about spontaneous changes in the thinking of both sides and diminished the earlier bipolar world view and the image created of the "enemy." At the same time, the illustrative effect of the Western world's consumption and lifestyle created additional disequilibrium in the economic life of socialist countries and increased the phenomena of shortage-based economy, thus creating growing dissatisfaction.

In part independently of the actual course of East-West contacts (but in part defining those contacts, and thus largely explaining the dawn of detente and the socialist countries' policies of opening), great changes have been made or initiated in the areas of science and technology, in the sphere of their application and in the general development of the world's productive resources and the structural relationships of the global economy, and even in the course of interrelations among states and nations, that the bipolar world view of the Stalinist model, the policy of sharpening conflict between the two world systems and competing at each other's expense and projecting this conflict to the "external world" became increasingly untenable.

With the rapid perfection, accumulation, and dissemination of nuclear weapons, not only did the danger of a (possibly accidental) global catastrophe become imminent, it also deprived the concept based on threatening each other of its rationale. Even without this danger, the vision of a bipolar world, and of two global systems, led by the two nuclear superpowers and operating at each other's expense, became increasingly anachronistic: Not only because "third forces" appeared on the scene, refusing to join either of the blocs or breaking away from them, and noncommitted countries formed a separate bloc, but also because the relationships of hegemony did not remain unchanged within the blocs themselves. It became just as impermissibly simplistic to identify the global forces of socialism with members of the Warsaw Pact Organization (not only because of China and Yugoslavia, but also because of the socialist forces inside the capitalist world), as it was to limit the global system of capitalism to the member nations of NATO and their allies, or to ignore the political and other differences among the latter.

As the arms race took on global dimensions, presenting worldwide dangers and growing burdens on the world's resources, its economy, and all of its participants, the bipolar system of military alliances and nuclear power came to be increasingly contrasted to the universal process of political pluralization and the survival of the unipolar system in such spheres as economic power and development, where the relationships were even more distorted.

The fact (or hypothesis) that political changes in the Third World influence the military balance between the two blocs and superpowers, possibly upsetting the developed balance of powers, contributed to limiting the autonomous freedom of the countries involved (in view of potential intervention by the superpowers); it also made the great powers increasingly captive to such hypothesized interrelationships, compelling them to take certain actions and involving them in local conflicts, or taking on the role of protector<sup>3</sup>, and thus influencing their relationships with each other, even against their own wishes.

All of this, at the same time, contributed to the growth of worldwide interdependence among political and military circumstances, diminishing the validity of the military concept concerning the bilateral nature of security and. together with the economic and ecological manifestations of global interdependence, placed the final doubt on the Stalinist concept of socialism and the context and model of socialist transformation inherent in that concept. The rapidly growing burden of the arms race, the forced concentration of resources, especially of the intellectual and capital resources of technological development, came increasingly to hinder the economical and technological development of socialist countries, and to contribute to the schism that existed between their civilian and military sectors, and to the conflict that existed between the global military power represented by them, and primarily by the Soviet Union, and their actual role in global economic life. In view of the civilian infrastructure of the military sector, the first schism also endangered the developmental tempo of military potential, while the severe backwardness of civilian production and the shortcomings of distribution became a dangerous source of sociopolitical tensions; the latter schism, on the other hand, brought on the threat of increasing disadvantages and loss of importance in the sphere of global politics among military and economic powers, where economic developments and power relations came increasingly to the fore and focused increasing on economic issues, thus even foreshadowing the threat of being relegated to the periphery of the global economy.

To be sure, the earlier prescription which, faithful to the "Stalinist model," called for national or collective autarchy and isolation from global economic processes, could have represented a way to escape the dependencies and vulnerabilities that are characteristic of peripheral economies. However, a return to the more or less isolationist policies was politically unfeasible, because of the already accomplished partial reconnection to the global economy (in part through economic contacts with the recently liberated developing countries). At the same time, the new epoch in global economic and technological progress condemned any national or regional policy of isolation as one bound to fail and promising permanent backwardness.

In the post-World War II stage of global economic development, in view of the newer and newer revolutionary achievements in sciences and technology and the increasing acceleration in the internationalization of the means of production, in the age of advancing transnationalization in the productive processes, even the most developed countries could not afford to turn inward; no country can hope to catch up, or even keep pace, with others by isolating itself. Moreover, the new technologies in communication made isolation itself problematic.

The social process of production was made increasingly transnational by the advances and global investment and commercial policies of new, transnational capitalist organizations, the international redistribution of productive and distributing functions by the transnational enterprises, and the general broadening in the international distribution of labor, or at least this created an interconnection and interdependence among its national processes. The contradiction between capitalism's "dual basis," its national and international existence, and the contradictory doubling of its social relationships are also becoming more apparent. It is no longer possible (or, to be more precise, it is even less likely) to analyze and explicate economic processes or sociopolitical developments occurring within the national context as isolated or independent phenomena.

This new period of global economic development is also characterized by an accelerated internationalization and (due to the strengthening of global, asymmetric, interdependencies) the surfacing of global problems or the globalization of certain problems.

The broadening and intensification of international interdependencies and the surfacing of global problems, combined with the difficulty and irrationality of isolation, made it inevitable that socialist countries would execute a more decisive opening toward the global economy and would strive to broaden and intensify their international contacts. However, such an opening exposed them to an international evaluation (which, contrary to their previous self-confidence, shed light on their lack of development), and revealed the backwardness of their production structures and technologies, their supervisory, organizational, incentive, institutional, and selective mechanisms that were created or imported during the period of isolation, along with the fact that these mechanisms were unsuitable for the demands of the global economy, and were at times contrary to modern structural modifications and international mechanisms.

It was revealed that the industrialization the socialist countries accomplished during the bloom of Stalinism and according to Soviet prescriptions (through great efforts and sacrifices and working at an accelerated tempo, to the detriment of agricultural development and the standards of living), while suitable to overcome traditional agrarian backwardness, the wholesale transformation of society and the economic structure, the elimination of unemployment, and the acceleration of urbanization, was entirely ill-suited for modernization in accordance with today's demands. In fact, this introduced industrialization of a 19th century type and structure, imported the variant of extensive economic growth within the framework of a mechanism characteristic of a war economy, and combined these with social policies based on an ideology that was (made) false, thus hindering the development of genuinely modern industrial structures, technologies, and mechanisms, as well as the growth and mobilization of society's intellectual resources and innovative capabilities.

In the history of the world economy, and especially in the periods of technological progress, the dynamic centers and definitive spheres of economic development have always changed their location within the productive process, finding connections with newer and newer elements. Those countries that succeeded were the first, or were among the first, to make the transformation and were able to develop new, dynamic production branches. It was primarily during the 19th century that steel production and heavy industry in general played such a dynamic leading role, although they retained their significance for military production. As early as the beginning of the 20th century, new definitive spheres opened up (for example, in electrical manufacturing and the production of the internal combustion engines), with new branches of industrial production (such as the manufacturing of automobiles, airplanes, and electrical engines) taking over the leading role. The scientific and

technological revolutions that have occurred since the end of World War II (in electronics, computerization, robot technology, synthetic materials, biotechnology, laser techniques, etc.) have opened up entirely new areas of industrial and service industries and have made them the "engines" of economic development. This meant not only that the structure of material production changed radically in the countries where such developments took place, but also that intellectual capacities, that is, product- and technology-oriented research and development, and in general training and science, along with society's innovative capacities and the requisite infrastructure, came to assume a decisive significance in economic development.

Looking at developments from this point of view, too, it was inevitable that the Stalinist system would fail, that socialist countries would be reintegrated into the global economy, and that problems of structure and mechanism would bring about severe disequilibrium and crisis. With one or two exceptional spheres (and, of course, discounting the research and development bases of Soviet military production, which, however, because of the technological and developmental gap, were unable to stimulate the rest of the economy) the time-worn "19th century" industrial structure and technological level of the socialist countries placed them at a disadvantage on the world market when it came to the competitiveness and composition of their exports, even aside from the discriminating or protectionist measures used against them.

Moreover, growing problems were in evidence, especially after the dawn of the global economic crisis, not only in the composition and competitiveness of exports, but also in the mechanisms that had an ever greater influence on foreign trade practices. After all, overly centralized bureaucratic mechanisms surviving from the period of Stalinist rule (such as the state monopoly over foreign trade) rendered reaction to the market and implementation of commercial policies quite inflexible.

A more detrimental consequence of the Stalinist system can be seen in downgrading and thwarting society's intellectual capacities and innovative readiness (that is, factors which are of increased importance in the global economy's recent stages of development), which are visible even in spite of the introduction of universal education and other positive achievements. The major symptoms of this effort are the characteristic negation of individual initiative, interest, and incentive; the hierarchical method of supervising citizens who have been reduced to subjects and are expected to evidence military discipline; the manifestations of a primitive egalitarianism forced upon the majority of society and selection in accordance with the opportunistic rules of political servility instead of professional knowledge and achievement; and privileges accorded to members of the leadership thus selected and their professional dilettantism and anti-intellectual behavior<sup>4</sup> (irritating democratic intellectuals even more than the requirements of

enforced egalitarianism). (The brain drain striking countries of Eastern Europe, the emigration of intellectual resources, was due not only, and not primarily, to factors of earnings, but rather to frustration caused by the above circumstances and to a bitterness brought out by the isolation from international intellectual life and contacts. At the same time, the Stalinist system's political leaders reacted to emigration trends by increasing the sense of isolation, making the "Iron Curtain" even tighter and mistrusting intellectuals.

During the early 1970's, the effects of the global economic crisis (which were made even stronger and more directly felt by having been artificially delayed) clearly illustrated the unified and organic nature of the global economy, even in the socialist countries, in spite of the Stalinist hypotheses and the illusions they created. This was another sense in which the inevitable step of rejoining global economic processes, accompanied by a number of difficulties, problems, and structural or mechanical anomalies, and the effects of the crisis and the new challenges posed by the transformation of global economy, stimulated, prompted, and complicated the rise of reform movements in the socialist countries.

### What Could the Direction and Goal of Reform Movements Be?

The beginnings of the renewal or reform process (at least in the case of the Soviet Union and its Eastern European allies), reach back to the changes that took place after Stalin's death; primarily to the 20th congress of the CPSU [Communist Party of the Soviet Union] and its consequences. (In Yugoslavia certain political changes had taken place years earlier, right after the Cominform decision and the break with the Soviet Union, and a model was created that differed to some degree from Stalinism, namely in that it was more open toward the outside world and greater social autonomy was granted through a system of self-administration, although the basic structure remained unchanged. However, even in that country it was only recently that economic and sociopolitical problems, tensions, and troubles, created by the many similarities to Stalinism in the structure and mechanism of power, the economic policies, and the external influences, as well as insufficient adjustment to changes in global economy, made it imperative that radical changes be executed. In China, on the other hand, even during the anti-Soviet period, a distinctly Stalinist model was in evidence, and certain elements, such as isolation, were even more noticeable than elsewhere. There, in addition to Mao Tse Tung's death, it was the failure of the "cultural revolution," an anarchist offensive directed from above against the bureaucratic hierarchy, that evoked the great change.)

It would require a lengthier study to analyze why, in spite of the fact that much of it was started decades ago, the process of renewal and reform is only able to gain full stride now, in the second half of the 80's, and why it only now promises to bring about genuine changes. Obviously, this is not only because in its native country, the

Soviet Union, Stalinism was able to take such a deep root, become so much part of historical traditions, and last so long without change. As a result, the subjective resistance of state and party bureaucracy the system created, combined with the power manifestations of personal and group interests (prevailing over the politically inexperienced masses and the reformers who took their stance in isolation) and the overwhelming inertia of institutionalized mechanisms, presented an objective obstacle which for a long time was able to resist changes aimed at the system's substance. Naturally, since the Soviet Union played a definitive role in the political life of its socialist allies, the same obstacle made itself strongly felt beyond the borders as well, in the form of covert or overt intervention in the decisions of other parties and states. Nor can we ignore (especially since we are examining the hesitation or reverses of reform processes already under way) the broader and more complex mutual international relationships and consequences, derived from Stalinism's inner consistency, which a priori condemned partial changes to failure, although this was also primarily due to the inner resistance and inertia mentioned above.

As for broader international consequences, the primary fact is this: The greater the threat, or seeming threat, represented by a reform movement anywhere for socialism's "combat positions" as interpreted by the Stalinist concept, the more forceful and, referring to inherited ideological reflexes, the more legitimate are efforts to resist and counter the influence of reforms.

Of course, we cannot ignore the fact that there are certain domestic and external forces that try to exploit the reform process aimed at radically transforming the Stalinist system, promoting genuinely reactionary, extreme nationalistic, and right-wing goals, whose irresponsible incitement invite catastrophic consequences for the given society as well as the entire Eastern European region. In other words, the threat is not entirely imaginary; it is real; especially when we consider the backwardness of political culture and the severe lack of democratic traditions and tolerance, which explains why the masses, disenchanted with "socialism" or, more precisely, Stalinist and neo-Stalinist practices falsely identified with socialism, were relatively easy to mobilize behind the wrong causes. The degree of actual threat notwithstanding, alluding to it may have justified resistance and restoration, even in places and at times when they were unjustified, which in turn created a fertile ground for extremist trends bearing genuine danger.

And since the reform process, naturally, works to remove the limiting and crippling bonds applied to society's political activity by the Stalinist system's repressive apparatus, it is no wonder that previously repressed conflicts, tensions, and unsolved problems rise to the surface and create conflicts that threaten with political crisis. The surfacing of these conflicts also seems to prompt many people in positions of power to revive the practices of earlier Stalinist regimes and their surviving power machinery. In a different sense, a similar effect is

achieved by unfavorable changes in the global economy or discriminatory treatment in Western foreign trade contacts, which may lend a certain attractiveness to the earlier period of autarchy and isolation. As for the witnessing of unfavorable political reactions by the Western powers, an insufficient readiness to compromise, cooperate, and offer assistance on the part of the West, or a recurrence of cold war attitudes, there are many who interpret these as proof of the correctness of the previous confrontational course.

In view of the fact that interrelationships are particularly strong among socialist countries, the asynchronous nature of reform processes (or even their occasional synchronization, which tends to multiply their individual potency) tends to exert a severely limiting, or even retrograde influence. It is not only the course of the Soviet Union's domestic circumstances and policies that affects (due to that country's great power position) the development of reform processes in socialist countries; the reverse is also true. The halting of the reform process that had its start with the CPSU's 20th congress, or the hesitancy and stagnation of subsequent reform attempts, can also be attributed to events in other countries (such as those of 1956 in Hungary, of 1968 in Czechoslovakia, and later in Poland), to attempted changes that were seen as threats to the alliance system or the stability of other countries, and to the nervous reactions and violent interventions they evoked. In each of these cases we can detect the role of a broader international connection, that is, a genuine or purported effect on East-West relations.5

It is no accident, therefore, that for a long time, the reform process was able to make (necessarily inconsistent) progress only in areas such as internal economic management, and only to the extent that it did not touch upon questions of foreign relations and international contacts.

The reform process that started up in each of the socialist countries had a particularly sensitive and neuralgic aspect, and it had to do with the system of international conditions and related issues. Domestic transformations endangering the system of military alliance, or even its supply routes (and thus upsetting the "equilibrium" of the two global systems); diplomatic moves made, without preliminary consultation, toward establishing contacts with one of the powers from the opposing block, or the like; have always evoked more vehement resistance and reaction than mere changes affecting internal politics or economies. Of course, this can be explained (though not satisfactorily) by the post-war division of Europe into two spheres of influence and the instinctive adherence of both great powers to the status quo. In truth, however, more was involved: the logic of the Stalinist system and theory that lived long past the demise of active Stalinism, combined with a concomitant image of socialism and even capitalism, which continued to have a bearing on judgements concerning developments in the world economy and international politics, new challenges, and the form of reactions to them, quite independent of the status quo.

As long as the process of renewal (be it the experimentation by Kruschev or the Hungarian reform policies of the 1960's) did not encompass every substantive aspect and condition of the Stalinist system and theory, that is, as along as it could only introduce incomplete and inconsistent changes, it was not only bound to fail and become hesitant; it also showed itself to be reversible. After all, even though in practice it turned out to be a dead-end and its theory was based on a false ideology, it was obviously quite impossible to eliminate the Stalinist system (which, in accordance with its own logic, was quite consistent as to its operation and theoretical-ideological support), while leaving certain of its supports and conditions for its reproduction remained intact.

It would have been nearly hopeless to try to renew the inner nature of this system while preserving its external conditions and aspects, that is, under the conditions of isolation, continuing the confrontational policies of the two opposing military blocs representing the "two global systems," carrying on with the arms race, and remaining committed to the militarization that defines political conditions. Similarly incomplete and reversible results could be expected from a reform of the economic control system, no matter how radical and innovative, that would leave intact the basic structures of the political system of institutions or the mechanism of institutionalized decisionmaking. Nor could a complete transformation and irreversible democratization be expected from the self-regulation of political power based on the personal decision of individual leaders instead of on institutionalized guarantees. In spite of all of its positive aspects, this preserved the bureaucratic structure and mechanism of the power hierarchy. Moreover, no individual country experimenting by itself could hope to achieve the elimination of the Stalinist system, as long as strong bases for that system continued to exist in several socialist countries, primarily in the Soviet Union.

In light of the above, it is understandable why the Soviet Union's perestroyka represents genuine changes at home, and promises similar (and hopefully irreversible) transformations elsewhere. Its combined, though not simultaneous, effect was to bring a break with the confrontational block policies of cold war, and to initiate changes of revolutionary dimensions and significance in order to make political life more open and democratic, while also restructuring the operation of the national economy. The Gorbachev-style "new thinking," with its organic concepts and policies of perestroyka and glasnost, provided a noticeable stimulus for reform processes in other countries, while encouraging the movements that were struggling for transformation; this is true even if in a few countries there is increasing resistance by the state power not only against the latter, but (taking advantage of the changes in international and interparty relations) against the Soviet Union's influence and counsel.

The factors outlined above mean that when it comes to the rhythm, tempo, and concrete progress of the reform processes, or even the time of their initiation, there are considerable variations among the various countries. One reason for this is that the recent transformation also brought with it a liberation from the need to follow uniform models.

However, when it comes to the substantive content and direction of these changes, we may have already noticed a number of similarities. Without going into details here, it may be relevant to point out some of the basic and universal traits and criteria of these changes:

- a) An increase in the domestic and external openness of society, at the macro and micro levels (in contrast with the closed, isolated, and militarized nature of the Stalinist system), as necessarily manifested in such diverse spheres as general openness; the internal order and mechanism of mass communication and information practices; and (in the area of foreign policy) the approach of security policies, global disarmament, and arms control, participation in the work of international organizations, international contacts in culture, communication, and tourism, increased international travel and migration, and, last but not least, a more intensive participation in foreign trade activities, global economic processes, the international distribution of labor, and the circulation of commodities, capital, money, and technologies:
- b) The explicit surfacing (or in certain countries resurfacing) of so-called civil society, complete with the autonomous activity and cooperative contacts of self-organized communities, groups, cooperatives, associations, and movements; the legalization of the "private sphere," (e.g.: personal sovereignty, individual interests, endeavors, and economic enterprises that are not harming the common good); the guaranteeing of constitutional rights of citizens; and increased evidence for social organizational work from below, more intensively applying the principles of social self-government and decentralization, including economic life;
- c) In addition to the points above, and representing the most characteristic and requisite aspect of changes: a democratization in all spheres of societal life, that is, the elimination of former hierarchical and monopolistic power relationships; the development of a political pluralism capable of expressing, representing, debating, and creating compromises among various interests in a democratic society, utilizing diverse social organizations, parties, interest groups, and democratic movements not as "tools of transmission," but assuring for society a participation and controlling role in the decisionmaking process; in addition, and as a precondition for the above, the elimination of the party-state and the state party, the intertwining of the party and the state, the transformation of the party (formerly performing a state administrative function) into a genuine political movement, placing the party under the control of society, making it compete with other parties, internally democratizing it, changing the relationship among its members, its elected leaders, and its apparatus, modifying the mechanisms of

election and selection, and introducing such practices as open debates, freedom of platforms, and opportunities to form political factions.

Of course, such significant traits of the transformation cannot be considered all-inclusive; in part because we could point out many additional (but no less significant) traits that could be derived from the above, and also because they are often intertwined with many other, sometimes transitory and even contradictory, phenomena. At the moment, these traits are more indicative of the direction, basic requirements, and inner logic of the transformation than the practical factors of complete realization.

There is little doubt, however, that sooner or later every socialist country will exhibit a shared desire to finally and completely break with the Stalinist system. This is not only because democratization is an inevitable condition for the renewal of socialist development, but also because it follows from the break with the former isolationist and exclusionist policies and the return to global economic mechanisms. However, the latter can greatly differ in its degree, effectiveness, and methods; it can take differing forms, structures, and institutional solutions, and could bring about varying, more or less advantageous, positions, comparative advantages, or disadvantages in diverse areas, all of which (due to the complicated system of interferences) could be either the results or the causes of diverse future achievements. In addition to the reasons listed above, this is why there will be a major differentiation among the socialist countries. Just as many different types and variants came into existence among the Western countries, diversity will also characterize the economies of Eastern Europe.

#### Four Summary Thoughts

- 1) Neither Stalinism, which came into being in this country during the late 40's and early 50's, nor the post-Stalinist system (which appeared after 1956, based on and complete with remnants of Stalinism, but which, in its existence until 1988, increasingly improved on its practices with Kadarist measures), can be identified with "existing socialism," that is, with any genuine socialist system. Thus, transforming the above does not represent the desertion of socialism. All of the above takes nothing away from the significance or authenticity of those socialist values and sincere socialist endeavors that were realized, in spite of the Stalinist or post-Stalinist regimes, during the past four decades, especially during the 1960's.
- 2) The Stalinist system and its subsequent modified versions showed themselves to represent a historical cul-de-sac, not only in relation to building genuine socialism, but also when it came to the modernization of certain countries and closing the gap between them and more developed nations. In our globally interdependent world, socialism cannot be constructed by having certain countries or a bloc of countries become isolated and closed, or by going against the laws of a capitalist global

economy. Isolation will automatically bring about backwardness, and going against the laws of economic life will create dysfunctional problems and conflicts. Thus, it is in the best interest of the nation (including the working majority on whose behalf the theory of the socialist movement was created) to transform the system and make it able to adjust to the requirements of the global economy. After all, our nation cannot flourish without performing well within the world economy; we cannot expect any improvement in our economic development, and our standard of living will remain at its present level. Instead of any abstract socialist concept, we must follow policies that answer these demands.

3) What we need, therefore, are, in the economic sphere, the creation of a genuine market economy, significant changes in property relations, more private entrepreneurship, capital investment from abroad and the stimulation of competitiveness, and suitable changes in the system of political institutions.

At the same time, in the name of societal solidarity, and in order to ensure the equality of chances for future generations, we must counter or correct certain unjust consequences of social differentiation caused by the market's spontaneity, which would be detrimental for the working masses, by instituting suitable sociopolitical and other measures that have proven successful in the practice of Western social democracies.

4) In other words, we do not have to give up our conviction that socialism is more humane and just than any other existing system, but we must recognize the realistic parameters and global interrelations we have encountered in constructing socialism. This is another reason why we must seek out opportunities for cooperation with those political forces abroad that are actively struggling for the peaceful and democratic establishment of a new international order.

#### **Footnotes**

- 1. Without enumerating here those relative achievements that socialist countries could claim even during the early stages of the Stalinist system (e.g., the temporarily high rate of the economy's extensive growth, the elimination of several aspects of inherited historical backwardness, and the creation of a more or less full employment and comprehensive system of social welfare measures and education), suffice it to say that in the beginning it was not coercion alone, but faith in a socialist future that stimulated society to make the efforts leading to the above achievements, and, on the other hand, that the legitimacy and stability of the system could not have been maintained even for a short time without genuine results and concrete achievements.
- 2. Kalman Kulcsar: Modernization and Hungarian Society, Studies. Magveto Publishing House, 1986.
- 3. This is not to mention the fact that certain political regimes, movements, or organizations in countries enjoying the protection and support of a great power

tend to ignore the realistic power, political interest structures, and load-bearing capacities of their society and, taking an extremist direction, force the changes they desire in opposition to the majority of society. In addition, conflicts brought about by such ultraradical trends tend to contribute to the growing defensive needs of great powers.

- 4. By the way, the anti-intellectual attitude is connected (at least in the ideological sense) to the model of 19th century industrial development, in that the principle concerning the leading role of the working class and its party (declared but less than fully implemented) was connected to the interpretation of the working class in the light of 19th century developments (such as the numerical increase of industrial workers). This simplification, in evidence to this day, neglects the significant difference that is well detectable in Marxian theory between the general philosophical and concrete historical meaning of the worker (according to which the first is applicable to every worker who lives off the value of his own product); it also neglects the changes that have actually occurred in the character and make-up of the working class, and especially in the proportion of industrial workers.
- 5. Thus, for example, in connection with the 1956 uprising in Hungary we may mention the tension caused by the Suez crisis; in the case of the 1968 "Prague Spring" the diplomatic initiatives taken by the Dubcek government toward the West German government concerning the German question which was still considered a touchy issue by the Soviet Union and its allies; or in the case of the 1981 Polish crisis certain developments affecting the Warsaw Treaty Organization's military connections and supply routes, etc.

## Horn Describes Kadar Foreign Policy, GDR Refugee Decision

25000582A Budapest HETI VILAGGAZDASAG in Hungarian 23 Dec 89 p 70

[Interview with Minister of Foreign Affairs Gyula Horn, by Andras Lindner and Zoltan Horvath: "Portrait"; date and place not given]

[Text] "Out of all politicians Hans-Dietrich Genscher is my model, because of his great sense of reality," according to Gyula Horn, 57, the first man of Hungarian diplomacy. Horn hails from an Angyalfold working class family; his father was executed by the Gestapo in 1944 because of illegal communist activities. The oldest of his seven sons was an organizer for the Hungarian Socialist Workers Party [MSZMP]; he was killed in December 1956. Gyula has accomplished most in his career. He started out as a technician's apprentice at the Budapest Siemens Works, and it was there that they recommended him for admission to the Oleg Kosevoj preparatory college. He completed four years of class work in a single year. From college he proceeded to the economic and financial academy of Rostov. Upon his return to Hungary, with his diploma acquired in Rostov, he found a

job in the Ministry of Finance in 1954, and became the lead professional staff member in the sales tax division. At the request of the MSZMP Central Committee [CC] he performed armed guard duty between December 1956 and June 1957. In 1959 he made a sudden career change and transferred to the Ministry of Foreign Affairs. "They called me to serve in the field of economic policy; I took a regular exam and was placed in the independent division that dealt with the Soviet Union." Two years later he served as an attache in Sofia, and in Belgrade beginning in 1963. In the course of 10 years he achieved the rank of counselor. He moved to the MSZMP headquarters thereafter. For almost 16 years he served as an associate, a consultant, and a deputy division chief, and then he directed the division for a year. In 1985 he unexpectedly returned to the foreign ministry. He has been in charge of Hungarian diplomacy since May 1989. He is a member of the national presidium of the Hungarian Socialist Party [MSZP].

Still during his years at party headquarters his dissertation entitled "An analysis of the Yugoslav economic system" won him a doctoral degree in the field of economic sciences. "The study could not be made public in those days," he comments. In the early 1970's he wrote a book about Yugoslavia under a pseudonym. He has more than 100 published writings and three books. He regards the book written under a pseudonym as his most valuable work.

He still pursues sports, he swims every morning, plays tennis, or jogs. In his rental apartment managed by the council on Bela Kun Quai he rises at 0500 hours every morning. He has two children and two grandchildren.

[HVG] How did you retrain yourself from a financial expert to a diplomat just 30 years ago?

[Horn] There was no need for retraining. Having an aptitude for politics is most important; one has it made with that. Of essence are an ability to synthesize and an ability to relate to others. The whole thing is a matter of style. I never circumscribe things. This caused many problems with my socialist colleagues, for example.

[HVG] Accordingly you do not hold a diploma in diplomacy?

[Horn] No, I don't, and it is possible that none of my close colleagues do. On the other hand I received a diploma at the CC political academy.

[HVG] Yes, and as a party worker you also acquired the "great doctoral degree" in economics. Why did you need this, considering that you were working in the field of foreign affairs?

[Horn] In my view, diplomats today must understand economic sciences. James Baker also came from the financial field. In the course of our conversation he told me how greatly this training helped him. A substantial part of diplomatic negotiations deals with economic issues. Just think of the recent negotiations in Brussels with the 24 countries.

[HVG] Were there no misgivings at party headquarters about your endeavors to acquire scientific laurels?

[Horn] That was never a problem. The truth is that often the apparatus people were better educated than the majority in the highest echelon, of course.

[HVG] This must have been the source of a number of inner conflicts, I would think....

[Horn] There always has been a certain lack of confidence in the leadership vis-a-vis the apparatus. Politburo members did not take us seriously. They were interested in conducting routine political discourse. The leadership tried to choke off initiatives and new ideas. They always argued that we "should not burden the CC." For this reason we were unable to place the Romanian issue and several diplomatic overtures on the agenda in a timely fashion.

[HVG] For years you served as a deputy to Janos Berecz. Today the two of you are far apart. What kind of boss was he?

[Horn] I regarded him, and I continue to regard him, as a person of great abilities. He expressed the idea that counterrevolution can be the only alternative to reform. In his career the break occurred when he was assigned the task of "keeping a tight hold" on mass communications. He should not have accepted that job, in my view.

[HVG] Could you reveal to us who "made" foreign policy in those days? Was it the foreign ministry or the party?

[Horn] The party, to a decisive extent. International politics was Kadar's hobby anyway, he always paid attention to that. But to tell you the whole truth, I must say that his capabilities were highly regarded on an international scale.

[HVG] You were the foreign affairs man at party headquarters. Who held the corresponding rank among the leaders in the ministry?

[Horn] The deputy head of the foreign division corresponded to the deputy minister, and the head of the division to the minister. According to protocol, however, the division head preceded the minister.

[HVG] Could it be that they tried to strengthen the party's influence when you changed in 1985 and transferred to the ministry? Or could it be that your transfer amounted to exile?

[Horn] I had conflicts with some of the leaders, with Janos Kadar among others. They said that two forceful personalities with independent ideas were too much in foreign affairs. Kadar felt that I was the one to go. Szuros remained. The fact is that no one contradicted Kadar,

except the two of us. This is no exaggeration: In many instances Kadar rejected our perceptions in a coarse and impatient manner. At the same time, the full picture includes the fact that on one occasion I had an opportunity to converse with him for two hours, when he sat next to us in the plane after his visit to Paris. I was stunned by the fact that his views hardly differed from ours. This remained a secret only to the outside world.

[HVG] The public regards the opening of the Hungarian border to the refugees from the GDR as a historic act, one that catalyzed the changes in Eastern Europe. And this act is linked to your name. Was this really your own idea?

[Horn] Yes. We struggled a lot. We reviewed all existing alternatives. There was no legitimate alternative. I reviewed the 1968 agreement with the GDR some twenty times. I also assessed possible reprisals by the GDR. A decision had to be made that befits a human being. It was the most difficult decision of my life. In the end, after a night's meditation I presented my proposal. The prime minister understood my consideration instantly and supported the proposal.

[HVG] Aren't you concerned that due to your MSZMP past you will not be acceptable either to the fundamentalists or to the opposition?

[Horn] I have never given consideration to the idea of to whom I am acceptable. I would be unable to accept any kind of political commonality with the MSZMP, and by this I do not mean the simple party members, of course. The party leaders do not want to recognize that the need calls for a change in the system. And as for the other side? I feel that everyone should be judged by his work. And this will not be done by them, but by the voters.

## Police Supervision, Reinforced Custody, Banning Discontinued

#### Criminal Code of Laws Amended

25000582B Budapest NEPSZAVA in Hungarian 19 Dec 89 p 2

[Unattributed report on Parliamentary proceedings of 18 Dec 89]

[Excerpts] [Passage omitted]

Thereafter representatives adopted the agenda for the December session:

- 1. Call for a vote on the legislative proposal to amend Law No. 5 of 1972 concerning the prosecutors office of the Hungarian People's Republic;
- 2.a. Debate on legislative proposal to amend Law No 4. of 1978 concerning the Criminal Code of Laws;
- 2.b. Debate on legislative proposal to amend Law No. 1 of 1973 concerning criminal procedure;

2.c. Debate concerning legislative proposal to amend Decree with the Force of Law No. 11 of 1979 concerning punishments and actions; [passage omitted]

Consistent with the agenda, representatives first rendered a decision concerning a legislative proposal to amend Law No. 5 of 1972 concerning the prosecutor's office of the Hungarian People's Republic, than proceeded to debate amendments to criminal provisions.

Justice Minister Dr. Kalman Kulcsar told Parliament that all amendments recommend discontinuation of the institution of reinforced custody. The institution of reinforced custody is a matter provided for by the Criminal Code of Laws. The purpose of the measure introduced in 1974 was to provide in the framework of criminal law effective means against particularly dangerous repeat offenders who threaten public order and public security. To accomplish this, limitations on personal freedom were introduced. These had the character of security measures, and could be enforced after a person had served the prison term to which he was sentenced for committing a criminal act.

According to present rules, reinforced custody may be applied against repeat offenders who have been convicted and sentenced to more than one year in prison at least three times, who were 20 years or older at the time of committing the crime, and who were sentenced to serve in prison for at least two years for the second offense. In such cases the court weighs whether reinforced custody is necessary. The law provides for a maximum of five years duration for reinforced custody.

The institution of reinforced custody was the subject of debate among representatives of legal sciences and practicing professionals. Reinforced custody did not perform its intended function; in a number of actual situations it increased the criminal's opposition to society, because the convict regarded himself as a victim, and felt that it was unfair that he had to suffer another disadvantage after completing his sentence. The institution of reinforced custody also became the subject of debate in the framework of international legal practice; by now, such measures are not applied at all in individual countries.

The legislative proposals revoke provisions contained in three laws concerning reinforced custody.

The justice minister also said that withdrawing authority for the institution of reinforced custody does not mean that henceforth the prosecution of criminal activities will be relaxed. The crime rate has risen, and within that, the number of criminal offenses committed by unknown persons has also increased. On the other hand, one must recognize the fact that reinforced custody was a practical fiasco, and discontinuation of that institution is warranted. The Ministry of Justice has initiated legal reform needed for the development of a democratic constitutional state, the revision of individual, high level legal provisions has begun, and as part of that, analyses and investigations have been conducted. Discontinuation of reinforced custody is one element in this process.

General discussion and debate concerning details was conducted by the National Assembly convened as a committee of the whole.

The committees on legal regulation and on the judiciary have discussed the legislative proposals already, and have recommended their adoption by the National Assembly.

Representative Pal Fillo (Budapest, voting district No. 18) recommended a comprehensive review of the Criminal Code of Laws at the earliest possible date, and requested that the government take action for the improvement and modernization of the workings of organs charged with the prosecution of criminals.

Representative Gabor Roszik (Pest County, voting district No. 4) stated that several Gypsy organizations had asked him to urge the National Assembly to provide more effective help than before to persons released from prison.

Kulcsar commented briefly on these matters. Thereafter a substantial majority of Parliament adopted all three legislative proposals for amendments. [passage omitted]

#### **Parliament Adopts Proposal**

25000582B Budapest NEPSZABADSAG in Hungarian 19 Dec 89 p 4

[Unattributed report on Parliamentary proceedings of 18 Dec 89]

[Excerpt] [Passage omitted] Representatives were asked only to cast their votes in regard to the law changing the scope of authority of the office of the prosecutor, because the related legislative proposal was the subject of debate at an earlier session. The amendment streamlines provisions pertaining to the prosecutor's office with recently adopted high level legal provisions. Parliament adopted the legislative proposal by an almost unanimous vote. [passage omitted]

#### **Restrictive Provisions Revoked**

25000582B Budapest NEPSZAVA in Hungarian 23 Dec 89 p 24

[Unattributed article: "Police Supervision and Banning To Be Discontinued"]

[Text] Issue No. 93 of MAGYAR KOZLONY reports an Interior Ministry decree which revokes a 1985 decree concerning constrained actions to be taken by policy authorities. An MTI [Hungarian Telegraph Agency] correspondent asked Colonel Karoly Nagy, head of the law enforcement regulatory group, what all of this means.

"As a preventive measure, the police had the authority of placing criminals under police supervision, provided that certain legal conditions prevailed. In specific terms this meant that the police had the authority to define mandatory conditions for a person as to his whereabouts—for persons under the jurisdiction of the applicable legal provision. These persons could not appear in public places. In addition, they were required to report to the police from time to time. In common language this practice was called police supervision or "REF." In addition, the above-mentioned decree also provided that as a result of having violated laws, a person could be banned from individual administrative jurisdictions for a definite period of time."

These provisions are now losing force, because they cannot be reconciled with present endeavors to achieve constitutionality, in due regard to the civil rights of individuals.

#### Gyor Small Entrepreneurs Demand Bekesi Quit

25000578B Budapest NEPSZABADSAG in Hungarian 3 Jan 90 p 10

[Unattributed article: "Bekesi Must Resign!' Gyor Small Entrepreneurs Protest"]

[Text] One did not have to wait for long for the first street protest of the New Year to take place at Gyor. Yesterday afternoon some 450 small tradesmen and small merchants—complete with trucks and cars decorated with banners, and pedestrians with signs—marched through the city streets and roads. The Gyor service organization of the National Association of Small Tradesmen [KIOSZ] organized the demonstration in support of the county's 8,500 tradesmen and entrepreneurs. The demonstration was preceded by letters to national authorities and personalities having jurisdiction, all of which have yet to be responded to.

Invoking their human rights, the marchers demanded that they be permitted to petition courts for legal remedy if they regard the outcome of tax investigations retroactively focused on their tax payments made prior to 1 January 1988 as unfair. No legal recourse is available at present. They also objected to high social security contributions. On their signs they called upon the Ministry of Finance to provide an accounting. The protesters demanded the resignation of Finance Minister Laszlo Bekesi, as well as the dismissal of the tax superintendent for Gyor-Sopron County.

A protest demonstration similar to the one at Gyor took place yesterday in Sopron.

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KIOSZ' national branch for persons engaged in the transportation of passengers and freight agrees with the Tuesday demonstrations of entrepreneurs at Gyor and in Sopron. KIOSZ Trade Branch Secretary Peter Peterdi said that entrepreneurs are aggrieved by the fact that there has been no reaction to an open letter addressed to the government weeks ago. For the time being the trade branch has not made a decision regarding the possible expansion of the action at the national level, because it is

confident that a response to the open letter will be received within days. The transportation trade branch is dispatching yet another letter to the government, urging that their grievances be addressed.

#### Parliament To Deal With Budget, Requirements

25000577E Budapest NEPSZABADSAG in Hungarian 16 Dec 89 p 5

[MTI report: "Convert the 'White House' into a Representatives' Office Building"]

[Text] In the course of its December session the National Assembly is expected to discuss a legislative proposal concerning the salaries of leading state officials and parliamentary representatives. According to this proposal the honorarium to be paid to National Assembly representatives would amount to 70 percent of the prevailing salaries received by ministers. In this relation Tibor Soos, head of the Office of the National Assembly, said that it would be important for the present National Assembly to formulate a law concerning the legal standing of representatives. To his knowledge, neither the Justice Ministry committee charged with developing the constitution, nor any of the parliamentary committees have dealt with the merits of this issue. In Soos' view it would be best if the judiciary committee and the committee on planning and budget were to develop a legislative proposal concerning the working conditions, legal standing, and compensation of new representatives in the near future, and if the present Parliament would adopt that proposal.

Responding to a question regarding office space for representatives, Soos said that they would most likely be able to provide appropriate office space within the Parliament building only to the leaders of permanent committees. Further office space would have to be found elsewhere. In Soos' view the Hungarian Socialist Workers Party Central Committee headquarters building would be very appropriate for this purpose.

#### **POLAND**

## Foreign Ministry Official on Changing Nature of Warsaw Pact Alliance

90EP0229A Warsaw ZYCIE WARSZAWY in Polish 9 Nov 89 p 5

[Interview with Jerzy M. Nowak, director, Department of Studies and Programming, Ministry of Foreign Affairs, by Franciszek Nietz: "What We Get Out of the Warsaw Pact"; date and place not given]

[Text] [ZYCIE WARSZAWY] The results of the last meeting of the Warsaw Pact's Committee of Ministers of Foreign Affairs as well as the statements of Polish, Soviet, and Hungarian politicians give rise to a variety of reflections. Do you see growing differences in the policies of the seven member states?

[Nowak] One cannot help but notice the cracks in the political picture of our alliance. Deep changes in the USSR, Poland, and Hungary have caused a growth of feelings of national identity and even a reinterpretation of national interests under the new conditions. Along with these positive results, there have been renewed conflicts between these interests, which had only been suppressed earlier. The danger of destabilization has appeared. Alongside the renaissance of national feelings and aspirations, populist-nationalist challenges have made themselves known in East Central Europe. The ideological sense of a threat from NATO, which has at times been strong, does not relegate these conflicts to the shadows. The revelation of these conflicts cannot be treated as a taboo or in a sensational way. They are a natural part of the political life of our region. It is not just a matter of knowing how to live peacefully with them, but of being able to settle possible conflicts and to look for common interests and promote their realization.

[ZYCIE WARSZAWY] Are there also areas in which interests converge?

[Nowak] There are. What is coming to the fore is the necessity of maintaining stability in Europe during this period of transformation, which is bringing with it not only hopes, but also threats and temptations to exploit the political vacuum that might result from the process of disarmament and the hastened dissolution of the politico-military groupings. In spite of great differences, one may also speak of a regional community of socioeconomic problems in East Central Europe. Finally, the feeling of uncertainty related to the renewal of discussions surrounding the so-called German problem continues, especially in the context of borders.

After all, it is not an accident that at the previously mentioned session of the alliance we were able to formulate a common position on many questions regarding future threats, challenges, and plans.

[ZYCIE WARSZAWY] But do we really still need the alliance?

[Nowak] The threats have, in fact, diminished in a fundamental way. The military blocs are becoming anachronistic, but at the present stage, the alliance is still necessary. Similarly—as Western opinion maintains—NATO is still necessary. However, the moment is fast approaching when there will be little justification for the two blocs. Let's not forget that, in spite of their cold war origins, the blocs have contributed to the maintenance of peace in Europe. They are part of the strategic interests of both great powers. However, when the time comes to dissolve them, we will—as premier T. Mazowiecki says—bid them farewell without sorrow.

Today the alliance is still necessary in order to prevent breaches in the European security system, to ensure stabilization, and to maintain a plane of consultation and a plane of coordination for the realization of the allied states' interests. We will conduct intensive disarmament talks in Vienna among "the twenty-three," that is, the seven Warsaw Pact countries and the 16 NATO countries. This was not our idea, but NATO's. In the bosom of the alliances, then, we are going to agree on reductions in their size, on the issues regarding the stationing of foreign armies, and later, on the control and supervision of the understandings reached. This process will last a little longer.

The general East-West rapprochement and understanding also demands the participation of military blocs, because—whether we like it or not—they are a part of our reality. That is why we are more justified in asking "What sort of alliance is necessary?" than we are in asking whether the alliance is necessary at all.

[ZYCIE WARSZAWY] Exactly. One often hears the opinion that the Warsaw Pact should modernize and adjust to contemporary demands. What does this mean from the Polish point of view?

[Nowak] Here I quote premier T. Mazowiecki, who, while confirming in the Sejm our will to respect our duties as allies, emphasized what this means by saying, "that all pacts and military alliances should be concerned solely with the external security of the participating states and not their internal political or economic order." Minister K. Skubiszewski completed this thought in the UN when he affirmed our will to not allow the existing international order to be destabilized, but also pointed out that respecting security areas does not signify agreement on the existing spheres of influence. These spheres of influence are dangerous relics of the old epic and reached fruition in, for example, the Ribbentrop-Molotov understanding.

[ZYCIE WARSZAWY] Which of these ideas were we successful in forcing through the previously mentioned Warsaw meeting?

[Nowak] Well. Please notice, for example, that in the communiques there were none of the "holy," often repeated formulas demanding that "geopolitical realities" be respected. Of course, we categorically demand that borders, the principle of sovereignty, and every nation's right to choose its own path of development be respected. But "political" realities undergo and will continue to undergo changes, and their petrification can even be dangerous. It is just a matter of transformations proceeding without the interference of external factors.

One should notice at the same time that—in agreement with the needs of the time—we have modified our approach to the Warsaw Pact in a serious and balanced manner that does not inspire anxiety in our allies. What is more, the president has been entrusted with the right of standing guard over intergovernmental political and military alliances in order to ensure the stability of our policy.

[ZYCIE Warszawy] Mikhail Gorbachev and other Soviet politicians (and not only Soviet ones) speak about transforming the Warsaw Pact from a military-political alliance to a political-military alliance. What does that mean in practice?

[Nowak] Personally, I prefer to speak of a "political-defense" alliance. It is a matter of not concentrating solely on the integration of military efforts, but on "raising the political consciousness" of the alliance, that is, coordinating on disarmament issues, easing military confrontation in Europe, and strengthening the system of security and cooperation.

This is not a simple task. The traditions of "monolithic unity" and speaking with one voice must be given up. The alliance must allow a variety of views; even the best of friends may differ. The alliance must take into consideration above all the heterogeneity of political structures and forces in the member states. In other words, the alliance must become more "normal," all the more so, since today the problems of the Central European countries are no longer connected with "the Brezhnev doctrine" or Moscow's "lead."

[ZYCIE WARSZAWY] Is there, however, really such a system of relations under conditions of internal differentiation within the pact?

[Nowak] You surely have in mind the arrangement of the allies, which is composed of a superpower and six small-or medium-size countries on its western outskirts. Moreover, certain similarities exist on the NATO side. This is a difficulty, but one that can be overcome, especially under the conditions of "perestroika," the growing respect for the partners and their interests, and the democratization of international relations. The Soviet Union's sensitivity to the interests and needs of its partners is growing markedly. The understood respect for the security interests of the Soviet Union, as a great power, does not have to assume the form of a system of satellites.

The solution of this problem demands the careful building of alliance mechanisms based on equality and agreement (consensus) in decisionmaking.

[ZYCIE WARSZAWY] What sort of reforms are foreseen, then, in the alliance?

[Nowak] We have been racking our brains about this for a long time. This concerns, among other things, the development of a more effective and, above all, more democratic mechanism of internal cooperation, the adjustment of the former forms of consultation, the creation of mechanisms that will strengthen the democratic principles of the alliance's functioning, and the creation of a better structure of contacts with NATO.

A permanent consultative group working on the restructuring of the Warsaw Pact has even been created. It is considering among other things the creation of a sort of permanent political headquarters for the alliance. Different views have been presented on this matter.

Again looking from the Polish point of view, it would not be bad if a permanent secretariat or consultative organ of an auxiliary nature were created. It could rationalize the alliance's work with relation to external defense functions and—what is more timely—it would facilitate dialogue with the North Atlantic Treaty Organization. It would have to be, on the one hand, a very democratic structure, and on the other hand, it should be an effective instrument for seeking and reaching agreement on the political decisions of the seven allies. It could not be merely another bureaucratic creation.

With regard to the wide-ranging changes in the Warsaw Pact states and the appearance of new political forces on the scene, new structures would have to be based on national grounds rather than party ones. This has to do with the independence of such structures from political changes in particular countries. For we are defending borders, peace, security, and common interests, not merely one organizational form or another. This is precisely the essence of the often repeated slogan about the alliance's "deideologization." This is in accordance with the spirit and the letter of the pact.

That is perhaps the way of ensuring the alliance's stability in the face of the readiness of the USSR, Poland, and the other members to radically restructure international relationships, to join in the "rules of the game" that are in force in the world, and to assure each country of its continued sovereignty and identity.

[ZYCIE WARSZAWY] Thank you for the interview.

#### Commentary on Disintegration of PZPR

90EP0238A Warsaw TYGODNIK SOLIDARNOSC in Polish 8 Nov 89 p 3

[Article by Jacek Maziarski: "Disintegration"]

[Text] A 21 November party meeting held at the Air Force Department of the General Staff Academy concluded rather unexpectedly. It became impossible to select a candidate for the coming PZPR congress, since the three candidates proposed in succession outright refused to run. And so, the meeting ended with the party's self-liquidation: of the 71 persons present, 51 voted to disband the organization. Within the same institution, no representative of the teaching cadre and no one from the Ground Forces Department agreed to be a candidate.

What is happening at the main military academic institution is a symbol of the general situation of the precongress PZPR. Will the congress even be held? Who knows whether things will not turn out as Leszek Miller suggested in an interview given to POLITYKA? He said: "It would be a kind of experiment if we first proposed to destroy the party and then called its congress..." The problem is that there is not much to destroy. The PZPR is faltering and cracking, sharing the same fate as its Hungarian, GDR and probably its Czechoslovak counterparts.

From the perspective of a half-year, it appears that somehow there is a lack of determination to fulfill the

hopes tied in with the roundtable. The PZPR's political importance has declined sharply, exodus of the membership has intensified and the moment of the party's disappearance from the Polish political scene seems nearer and nearer. Six months ago, in June, 20 percent of Poles expressed their confidence in the party, in September, the figure was 17 percent, in October—11 percent, and in November, only 9 percent. By way of comparison, another November survey revealed that 90 percent of those polled expressed confidence in the Church, while 82 percent expressed confidence in the government, and the level of confidence in the two former allied parties (otherwise also disintegrating) was at the level of 34-35 percent.

However, the PZPR still continues to take part in the game, even wishing to be treated as a major participant in the process of change.

It continues to have at its disposal impressive cadre resources in administration, propaganda and at key points of the state's structure. Its trump card is its enormous material resources—buildings, equipment, powerful firms such as the RSW ["Prasa-Ksiazka-Ruch" Worker's Cooperative Publishing House], state subsidies, informal ties and hastily created companies. With such assets, it ought to be able to survive somehow, particularly with a change of signboard, for the PZPR dreams of ridding itself of the stigma of being the party of unreformable Stalinists and would like to be repainted as a group of the progressive left.

Will this operation succeed? The primary obstacle is a lack of confidence: neither the members of the PZPR nor society believes that such a restructuring can succeed. Repainting the signboard seems difficult, judging by the growing quarrels of the "reformers," the party members "set in concrete," the "populists" and the representatives of still other coteries. It would seem rather that the PZPR awaits the same fate as the party of Hungarian Communists which is dispersing into splinter groups of various colorations. The crux of the matter is that communist parties can exist only in a parasitic alliance with state structures, having penetrated the administration, the military and police forces, the economy and the like. Taking away the party's control over the parliament, over management and over radio and television and the like means depriving it of the foundations of its existence. It turns out that the PZPR knew how to exist only in structures of the party state: it had only officials but did not train activists.

The breakup of the party structure of the state has proved to be lethal for the PZPR, and so the party is melting away. This is a sad surprise for the backers of the "great coalition" between the Solidarity left and party reformers, for it has become visible with the naked eye that there is no one to wed. But the party's downfall is not merely the individual concern of those Solidarity activists who seriously believed in a leftist alliance, in the creation of some sort of social-democratic bloc or other variant for continuing socialism in Poland. The real

problem lies in the fact that such a rapid erosion of the PZPR confronts Solidarity with problems which barely entered the consciousness 6 months ago. The party's disappearance places a question mark after the roundtable contract, which was an agreement between the two parties which represented a symmetrical potential in some way. At year's end we are faced with a glaring asymmetry: public support has grown for Solidarity and Mazowiecki's government, while one by one, the party is losing all of its adjacent structures and attributes of power. There are no longer any allied parties, it is doubtful whether the party has any influence over the OPZZ [All-Polish Trade Unions Agreement], ORMO [Volunteer Reserve of Citizens Militia] does not exist. plant party cells are disappearing one after another and now the time has come for the liquidation of the party character of the police and military.

Sooner or later, the erosion of the party will cause society to ask what real right such a politically marginal force has to control the majority of newspapers, to have at its disposal tremendous assets and to occupy the majority of lucrative positions in some ministries (eg., in foreign outposts, in education and in administration)? If the masses ask such a question, things may escalate into a process resembling recent events in the GDR and Czechoslovakia. We should not be calming ourselves with the concept of the gentle, evolutionary course of Polish systemic reform.

The cohesiveness of the Solidarity union and its entire strategy thus far have been based on the assumption that there exists a strong party, capable of functioning, along with its adjacent structures and branchings. Whatever we think of that model of the party-based state, one thing is certain: it has created a solid wall against which autonomous movements of the most diverse orientations can lean. The crumbling of that wall imposes upon Solidarity the duty of rethinking its tasks and obligations. For it is obvious that somehow the destabilization of the state caused by the disintegration of its former supporting structures must be somehow averted. Do we have the knowhow to fill up the holes created by the more and more rapid erosion of the communist apparatus? Do we have a notion about a new structure to guarantee the stability of the state? What role in this does the institution of president play? Do we have the time and the cadres? Each one of these questions is a cause for concern.

Not long ago it still seemed that we could quietly prepare for the elections for self-governing bodies, and somewhere in the future we would have to discuss a new constitutional order. Today it is already known for certain that the elections to the people's councils are merely a small fragment of a significantly more serious issue.

The disintegration of the communist party, combined with the atomization of the Polish political scene into small and contending groups will thrust upon the union an ever greater burden of responsibility for maintaining the stability of the state. Neither the union nor the yet too weak citizens committees will be able to take up that burden. And so, the most pressing task seems to be building a solid political center which would group together the basic political forces positioned between the left and the right. If we do not succeed in building a new, sufficiently load-bearing mechanism of party-parliamentary democracy, the tottering stability of the state will have to be rescued with the aid of state instruments, thus imposing upon society some sort of model of authoritarian rule.

Poland was already faced with such a dilemma once in the 1920's. But do we have a candidate for head of state today who is comparable to Pilsudski?

## Church's 'Political' Role Defended, Party Formation Denied

90EP0224A Czestochowa NIEDZIELA in Polish No 45, 5 Nov 89 p 7

[Commentary by Juliusz Jan Braun: "Does the Church Want Its Own Party?"]

[Text] "The Church does not aspire to the creation of a Christian-Democratic party. However, it would like to have a party, and it sees just such a party in the PSL [Polish Peasant Party]. A party that has its base of support in the countryside has the greatest chance of being directed by the social teachings of the Church." That pronouncement of Hanna Chorazyna, a prominent activist in the peasant movement and vice president of one of the PSL's factions, was included in an interview which appeared in GAZETA WYBORCZA, and it was further popularized by POLITYKA where a fragment of that interview was reprinted. I do not intend to engage myself in the polemics being waged between particular groups within the peasant movement, which are seeking their own political identities. I also do not know whether in fact the PSL can be directed by the social teachings of the Church to a greater degree than some other party simply because it has its base of support among residents of the countryside. I stopped however at the statement: "The Church...would like to have a party." Is that true?

For many years the authorities have on various occasions accused the Church in Poland of engaging in politics. Many times the Church's highest representatives have denied these accusations with their own lips. Today, however, it is worth asking again about the relationship of the Church to politics, it is worth reflecting—no longer in an accusatory tone—on whether the Polish Church is engaging in politics.

The answer to this question meets with insurmountable difficulty at the very start. For in the course of the past forty some odd years, not only have different currents of life been functioning—with respect to literature, people began to talk about first and second circulation—but also different languages. For what is politics? I reach to PWN's [State Publishing House for Scholarly Works] "Universal Encyclopedia," and I find there the following explanation: "According to Lenin, politics is the struggle between classes, it is the relations of the proletariat fighting against the international bourgeoisie for its own

liberation. Marxism," I read further, "treats politics as the activity that is the expression of the struggle for class rule and as a social phenomenon connected to the existence of class society, in which power over the means of production is the basis of the economic rule of a given class; but the basis of political rule is state power, which makes possible and protects economic rule as the sphere of conflict and class struggle, which is chiefly for a role and a place in the production and distribution of wealth and the maintenance or abolition of the existing structure."

If someone making use of such language and defining politics in that way said, "The Church is practicing politics," one would have to reply in the same language in which the question was posed or in which an objection was worded. And the Church replies, "No." The Church is not fighting for class rule—the very idea of class struggle is foreign to it. Not only does the Church as an institution not take part in politics understood in this way, but the matter is also distant from lay Catholics who are politically active in their own names.

But one may also speak about politics in another way, using another language. That is just how the Holy Father John Paul II speaks in his recent sermon, "On the Calling and Mission of Lay People in the Church and the World": "Politics is a distinctive variety of economic, social, and legislative activity, which serves in an organic way the growth of the common good." Politics understood in this way is, of course, close to the Church, which encourages the faithful to participate in political life. John Paul II also does this, writing in his memorable sermon "Christifideles laici": "Solidarity is a political style as well as a political tool that wants to strive for the true development of man. But that demands active and responsible participation in political life on the part of each and every citizen, as well as on the part of various groups, trade unions, and political parties."

So does the Church want to have its own party? The Pope's last sentence quoted here shows the tendency of the answer. After all, it is not by accident that John Paul II speaks of various parties.

Catholic social teaching should be the source of inspiration for public commitment as well as for the political commitment of Catholics. During the interwar years, the conception of the so-called "third road," which resulted from the rejection of communist collectivism as well as capitalist liberalism, was identified with the Church's teachings on social matters. Catholic social teaching is not treated today as a finished system of solutions or detailed norms. It does not present a definite socioeconomic model, it does not define a structure of theoretical postulates—but it does formulate guiding actions, define evaluative criteria, and present principles for reflection on social and economic problems.

The Church reminds us of the duty to respect human rights, including economic rights, individual rights, and the rights of social groups. It especially defends the poor

(in the widest meaning of this word). Words of criticism are often addressed to those who, while deciding the affairs of social life, forget that their activity is supposed to be an expression of service for the benefit of society. The Church sometimes uses its authority to support the aspirations expressed by certain social movements or groups—but, it does not identify with any political community or political system.

A significant portion of Poles declares its membership in the Catholic Church. At the same time, the institutional Church has gained special authority in Poland. It is not surprising, therefore, that many circles as well as movements of social associations and even political parties appeal to Christian inspiration in their programs, or more concretely, to Catholic social teaching. However, one must emphatically recall at this point the principle written in Vatican II, among other documents, and repeated many times, which explicitly commands one to distinguish between what the faithful do as citizensindividually as well as in their social associationsdirected by the voice of their own Christian conscience and what they do together with their shepherd in the name of the Church. Activity within political parties belongs in an obvious way to the first sphere.

Evangelism is the task of the Church, in other words, the spreading of the Good News to all people. Therefore, the Church can not have "its own" political party. Besides, that would be self-contradictory. After all, the word "catholic" means 'universal.' But "party" comes from the Latin word "pars," meaning 'part.'

Attempts to act under the political label of Catholicism must be considered disturbing—even if they are done in good faith. The declaration of faith can not serve as an alibi for political activism. Different moral planes are being mixed here, and at the same time, there arises the threat that religious values, which are by their nature universal, will be subordinated to political tactics. Political life must be supported by such evangelical values as freedom, justice, solidarity, and devotion to the common good. These values, however, are not the program of a political party. A party's program arises as an attempt to build a particular system of practical solutions on the basis of these universal values. And such solutions can be differentiated. There exist, of course, political structures and conceptions that are in an obvious way contrary to the Christian system of values. There are, for example, totalitarian systems. But there is no political system, and particularly no system of socio-economic solutions, which would be, from the point of view of Christian values, the "one, true system."

One more reflection arises at this point. The development of our country's social and political life, which is progressing towards normalcy, does not at all have to lead to the reconstruction of the party system that used to exist (or, for that matter, the system that exists today in Western Europe). There is considerable mistrust of political parties in our society. The activity of citizens' committees, which are bringing together thousands of

people of differing political views all over the country, is quite large, while the influx of members to the recently created parties is considerably slower. At the very least, the example of the United States, in which there are two great parties which in no way resemble the parties of Europe, bears witness to the fact that a system of self-organization of society and the state's political life do not have to be supported by the existence of political parties.

Time will answer the question about the future shape of political life in Poland. Of course, the process of forming political parties should not be slowed in an artificial manner. However, the development of new parties and other organizations must result from their own internal dynamics. Artificial hastening is just as out of place as artificial restraint. But engagement in the matter of the Church's authority is inadmissible.

#### **HUNGARY**

#### Military Aid During Romanian Crisis Reported

25000586C Budapest NEPSZABADSAG in Hungarian 27 Dec 89 p 3

[Unattributed article: "Continuing Military Cooperation"]

[Text] Colonel Gyorgy Keleti, spokesman for the Defense Ministry, spoke to Peter Vajda [unidentified] at dawn on Tuesday concerning the most recent developments in Hungarian-Romanian military cooperation.

Colonel Keleti said that specially trained radio spotters continue to locate radio stations operated by the Securitate. The number of such radio stations has significantly decreased during the past 24 hours, which attests to the fact that the Romanian Army continues to liquidate forces loyal to the executed dictator, according to Hungarian experts. Data provided by Budapest also play a role in this effort.

Colonel Keleti provided details concerning the Hungarian military aid shipment which consisted of 18 trucks carrying 81 tons of food, and one refrigerated truck carrying blood and blood plasma. The convoy crossed the border at Nagylak and reached Arad. Major Laszlo Csombor served as convoy commander, according to Keleti. Upon his return from the dangerous mission Defense Minister Ferenc Karpati granted the major a special promotion to the rank of lieutenant colonel. The only female member of the contingent was medical master sergeant Mrs. Gyula Fekete. Throughout its journey the convoy was secured by Romanian military units, and major Csombor maintained continuous radio communications with the Ministry of Defense. The Hungarian military aid shipment experienced two dangerous moments. The first dangerous situation occurred when following its arrival at the Romanian barracks at Arad the vehicle carrying blood plasma drove to the local hospital at the request of the Romanian commander, because of the critical situation of the wounded in that city. Considering this, the personnel of this vehicle agreed to take this trip, despite the fact that they had to drive through an unsecured area, and were left without communications for the duration of the journey. They successfully completed their mission.

The other dangerous moment occurred during the return trip approaching the Hungarian border. They were driving in fog when a report came that at one point on the highway two tanks had taken up firing positions. Fortunately, it turned out a few minutes later that the scouts were confused in the fog, and that the vehicles were not tanks but caterpillar tractors.

Keleti also revealed that during practically the entire day on Monday direct communications with the upper leadership of the Romanian Army had ceased, and that communications were restored only in the evening, following the execution of the Ceausescu couple. Independent of that, on Monday Defense Minister Karpati requested that the defense ministry in Bucharest provide effective protection for the Hungarian embassy. This was prompted by information received from Foreign Minister Gyula Horn and from other sources by the Hungarian military leadership. This information held out the possibility of a Securitate terrorist attack on the Hungarian embassy. The message requested effective protection of the Hungarian embassy. That the information was well founded was supported by the fact that during the previous night secret police terrorists had made an attempt to attack two Western embassies. In response to the Hungarian request the embassy was surrounded by tanks and other security units.

Despite the fact that the situation is becoming normalized, units of the Hungarian People's Army will continue to be on alert to prevent Securitate terrorist units from escaping and being held to account. They could do so by helicopters available to them, crossing Hungarian air space. Hungarian air defense units which have been on full alert already, received orders for heightened preparedness. For this reason the defense minister's leadership group also includes one commander from air defense and one from the Air Force. This command is in continuous contact with battle stations as well as with observance and assessment groups.

Considering the threat of infiltration by Securitate terrorists, in addition to the Komondor unit which operates under Interior Ministry supervision and is stationed along the border, some special trained forces of the Hungarian People's Army stationed in the Plains were placed on alert. This unit had fewer members. They are prepared to move within minutes, should they be so ordered, Keleti said in conclusion.

## **Soviet Military Structure Near Munkacs Explained** 25000595B Budapest NEPSZABADSAG in Hungarian 17 Jan 90 p 4

[Text] Yesterday's Hungarian Television program PAN-ORAMA broadcast pictures of and conversations with local citizens about a presumed military object under construction in the lower Carpathian area. Local residents expressed concern with regard to this construction work. Since the object is built near the Hungarian-Soviet border, the MTI reporter asked Colonel Gyorgy Keleti, spokesman for the defense ministry, whether the ministry had made an official inquiry with regard to the structure.

According to Soviet information, a radio locator station is being built near Munkacs. The electromagnetic field strength that will evolve as a result of the station's functions will be well below the level permitted by international standards both in the immediate vicinity of the object, and at the Hungarian-Soviet border zone. The location of the radio locator station, as well as the directional characteristics of the antenna, were chosen in

such a way that the population and the natural environment of the area—and to an even lesser extent of the Hungarian area—will not be not endangered. There is no

nuclear reactor of any kind in the radio locator station, and they are not planning to build such a reactor, according to Keleti.

### **HUNGARY**

### Aftershocks of Pet Nitrogen Auction Detailed

### Low Official Prices Blamed

25000585B Budapest NEPSZAVA in Hungarian 28 Dec 89 p 7

[Article by "-torj-": "Requiem for a Hungarian Enterprise, or: the 'Save the Nation' Activity of the Bankruptcy Reorganization Committee"]

[Text] Pet Nitrogen Works was sold at an auction. The enterprise was purchased by the Borsod Chemical Combine, Incorporated [BVK] for 1.75 billion forints. The buyer only appears to be a Hungarian enterprise, because 80 percent of the corporation's stock actually belongs to foreigners. In other words, the plant that before constituted social property has been transferred to foreign hands in its entirety. (Anyone controlling 51 percent of the stock enjoys unlimited control over an enterprise.)

What do we find in the background of this news item? And what is behind this transaction?

Pet Nitrogen Works manufactures a basic variety of agricultural fertilizers. The quality of its products is excellent, and the manufacturing technology is state of the art. The quantity produced almost satisfies Hungarian demand.

Two similar factories still in Hungarian hands, the fertilizer plants of the Tisza Chemical Combine and of the BVK, have about the same capacity as Pet Nitrogen, nevertheless they operate with 35-year-old equipment and technology. The per unit energy consumption of these two plants is between 40 and 80 percent higher than that of Pet Nitrogen Works, which was sold.

Notwithstanding this fact, Pet Nitrogen Works has experienced financial difficulties as compared to the two obsolete factories whose per unit energy consumption is high, and in which the losses incurred by the manufacture of fertilizers were concealed by profits made on other products manufactured.

In order to see the full picture one should also be aware of the fact that fertilizer prices which determine sales revenues were not established in response to market demand, but officially, on the basis of prices prescribed by Csikos-Nagy [as published]. To demonstrate the extent to which these official prices reflected value judgments pronounced by the marketplace, suffice it to present a news item broadcast by radio.

As part of small border trade, Yugoslavs buy up fertilizer supplies along the border, despite the fact that a 30-percent export duty is levied on fertilizer. For this reason there is a shortage of fertilizer along the border. Since Yugoslavs are able to purchase forints only for hard currency, foreign exchange speculation may be ruled out

as a possibility. Only the artificially maintained low fertilizer prices served as a lure to the Yugoslavs.

Accordingly, in this context it is clear that the economic situation of the enterprise was not determined by manufacturing costs, but by the artificially maintained low prices which turned the factory into a loss operation.

If Pet Nitrogen could have had an opportunity to raise its domestic prices by at least 15 percent in contrast to the 30-percent duty, it could have realized profits of between 1 and 1.5 billion forints. In this way their prices would have been still lower than the European price level, and Pet Nitrogen would have had abundant resources to pay its debts.

At the time it was sold, the factory's assets were worth 4.5 billion forints, calculated at the old price. Considering inflation, this value amounts to a minimum of between 7 and 8 billion forints today. Accordingly, they succeeded in auctioning a modern plant worth this much money for 25 percent of its worth, or 1.75 billion forints. In addition, the buyer received a marvelous workforce already settled at the site, and a secure domestic market in which he will have no difficulty in selling the factory's products at normal prices, and at a place where within a foreseeable time period he may achieve a monopolistic situation, because the old factories cannot maintain operations for long.

And one wonders what will happen after this great transaction? The influx of foreign operating capital, the expansion of workplaces, the influx of modern management principles, structural change, integration with the European market... I can already hear these fashionable slogans which are likely to turn out to be nothing. This is not difficult to predict. Some make-believe activities may be expected at best.

But these are not needed either, because as of 1 January 1990 fertilizer price controls will be removed, and without any special measures, the factory's annual revenues are expected to reach between 1 and 1.5 billion forints. In addition, the foreign investment enjoys a significant tax break. Having taken all of this into consideration, the investment will have been fully returned within a year or a year and a half. And since the profits earned by foreign enterprises may be removed from Hungary, the investment will have been fully returned even in dollars.

I am deeply convinced that had the bankruptcy organization made an elementary level economic analysis prior to the buying decision, liquidating and selling Pet Nitrogen Works would never have come to anyone's mind.

One is obliged to ask this question: Who benefitted from this entire transaction? Certainly not the country, society, or the state budget. Well then, who benefitted?

If this giveaway were a freestanding phenomenon in the present history of the Hungarian economy one could say

that it was a mistake or superficiality. But this is not a singular phenomenon, it is a trend instead.

One is tempted to ask the question of whether perhaps our earlier, thoughtlessly loaned out moneys are seeping back, and perhaps that money is being used by foreigners to purchase the values owned by Hungarian society at giveaway prices.

### **Transaction Clouded**

25000585B Budapest NEPSZAVA in Hungarian 5 Jan 89 pp 1, 5

[Unattributed article: "Bankruptcy Organization Files Suit"]

[Text] The Swiss-Hungarian joint enterprise involving Sauer and the BVK [Borsod Chemical Combine, Incorporated], established for the purpose of purchasing Pet Nitrogen Works, did not reconsider its intent to buy; it violated an earlier agreement instead, according to the statement of Miklos Virag, the Bankruptcy Organization's liquidation commissioner, to an MTI [Hungarian Telegraph Agency] reporter.

This is essential, he added, because the legal interpretation of the two terms is entirely different. An unavoidable impediment or vis major which could justify reconsideration or a refusal to buy is not at issue. At issue is the fact that Sauer made a decision that differs from his earlier determination despite known facts. At the same time the Bankruptcy Organization did not change the contents of the agreement. Virag summarized the events of the past days as follows:

"As is known, five weeks ago the joint enterprise established for this purpose offered 1.75 billion forints for Pet Nitrogen Works. Pursuant to the agreement, the firm should have paid 700 million forints within 10 banking days, and an identical period of time was available to obtain bank guarantees. Since the buyer did not comply with these requirements, the Bankruptcy Organization called upon the buyer in writing to fulfill its obligation without delay. The buyer did not comply with this request; instead, on 20 December the "new owners" advanced a verbal proposal to the Bankruptcy Organization essentially stating that they would lease the plant from the Bankruptcy Organization between 1 January and 31 May, and only thereafter would they express their final intent. Meanwhile they would cover the operating expenses. A day later, this proposal was confirmed in writing, but soon thereafter they gave notice that they had changed their intentions and did not want to purchase Pet Nitrogen Works. This constitutes a clear breach of contract causing a loss to the people's economy. Hungary intends to enforce this contract in court."

In further discussing this matter Virag said that the amount of indemnification required is not yet known, but it will necessarily exceed 150 million forints.

The liquidation commissioner stressed the fact that Pet Nitrogen Works is continuously operating, and that workers at the plant will not suffer any disadvantage. They will receive their wages and premiums. Contrary to rumors, the partners of the firms continue to deliver basic materials to Pet.

Chemolimpex President Peter Dobrovits, the second highest bidder at the original auction, confirmed to the MTI reporter that the consortium would maintain its original offer and would purchase Pet Nitrogen Works.

Negotiations continue. It is expected that the consortium will purchase Pet Nitrogen Works in February.

At a BVK workers meeting on Wednesday, President Lajos Tolnai announced that BVK maintains its offer without change to purchase Pet Nitrogen Works. He deemed any information suggesting that the new owners have made a final statement regarding their intent to withdraw as groundless.

Responding to the MTI reporter, the president said that although the Swiss partner had become really uncertain about the deal prior to the adoption of the budget, he has continued negotiations to this date with various financial organizations. Accordingly the case is not closed, because despite the fact that by now the 1990 budget is in force, the IMF will begin its negotiations with Hungary on 15 January, and in all likelihood foreign financial institutions will not proceed with granting loans needed for the purchase. On the other hand, uncertainty was caused by the fact that the Swiss Sauer firm had also paid a visit to the Pet plant independent of BVK. There they made a statement saying that according to their own calculations a 1 billion forint loss is expected in 1990. This announcement contradicts the plan agreed to by BVK, according to which Pet Nitrogen Works would close the year without incurring a loss.

Since BVK is in continuous contact with the Sauer firm, the president regards it as likely that the Swiss, having witnessed a relative stabilization in the Hungarian situation, will rethink their intentions. In the present phase of negotiations the foreign partner suggests that in the event they reach an agreement, the purchase should be preceded by a five-month leasing arrangement. During that time it may become clear whether the firm is indeed in a bankruptcy situation, or if it can be made profitable.

# Restrictive Legal Provisions for Incorporation Detailed

25000579 Budapest HETI VILAGGAZDASAG in Hungarian 2 Dec 89 pp 73-74

[Article by attorney Laszlo Radovits: "Rules for Establishing a Firm: Who Laughs at the Beginning?"]

[Text] Along with starting entrepreneurs, attorneys are also perspiring thoroughly by the time they satisfy the preliminary conditions for establishing firms, according to lawyers. Attorney Laszlo Radovits is putting it mildly when he calls attention to the "odd phenomena" related to the registration of firms in the following notes he and his associates jotted down.

"It is possible to take issue with each sentence of the Law on Business Organizations; I say this with little exaggeration. Either the individual provisions of the law give rise to interpretation problems, or some other, mostly older provisions conflict with the law, and all of this comes to light only after several months of practice.

"Here we have, for example, the matter of foreigners participating in business organizations. Section 4 of the law provides that 'Business organizations (...) may be established by both Hungarian and foreign natural persons (...), or may join existing business organizations.' Said clearly: A foreign private individual may be a member, except for the fact that Section 7 follows: 'Foreigners may establish or become members in business organizations only if, pursuant to the laws of their respective countries, they own a firm, or if, on the basis of the laws of their respective countries, they are registered as a corporation (or other business). Any foreign natural or private person may be a stockholder.' What follows from all of the above? A foreign private person is unable to join limited liability corporations, which constitute nine-tenths of the new mixed ownership corporations because of lower capitalization requirements. The court of registry will request that a foreign certification together with a certified translation—be submitted, evidencing the fact that the foreigner has a firm in his home country, based on the laws of his own country. Foreigners do bring along such certifications, extracts from the register. Thereafter a Court of Registry judge decides whether these certifications are acceptable. But again, how would it be possible to find out the features of laws governing firms in Syria, for example. And foreigners cannot even understand why it would not suffice for them to pay the amount needed for the establishment of the firm into a Hungarian bank depository account. Why should they certify that 'they are a firm'?

"In theory it is conceivable, of course, that for the sake of complying with Hungarian rules a foreign investor could establish in his home country, e.g., a single person limited liability corporation, and from the standpoint of formality that corporation could make the investment in Hungary. A limited liability corporation constitutes a firm from the viewpoint of any Hungarian court of registry judge. This, however, is a theoretical possibility only. Many small investors would invest between \$10,000 and \$20,000 in Hungary, but see no sense in first establishing a firm in their respective home countries, firms that are totally superfluous from their standpoint. According to my experience, a majority of such foreigners are lost as prospective investors from the standpoint of Hungary.

"There are some who provide certification to the effect that they own a business share in a foreign firm. This will suffice insofar as the Hungarian court of registry is concerned, because all it requires is that the name of a

foreign firm be included in the documents of the firm to be established in Hungary, so that the Hungarian firm becomes the member of a firm having mixed ownership. The real investor—the private person—then signs on behalf of the foreign firm, as the representative of that foreign firm, without anyone asking if he is duly authorized to do so pursuant to the laws of his country. I am certain that complications will arise later. Let us assume that the real investor, the private person, dies. According to the documentation related to the Hungarian firm, the Hungarian business share will not be inherited by his heirs, but by his business associates in the firm, because on paper it is the foreign firm that owns the Hungarian business share. I am convinced that many foreigners do not have the faintest idea about this fact, and that sooner or later some foreign investors will be confronted with a sad surprise.

"Just why is this rule needed? Perhaps to exclude the possibility that with the help of their relatives or acquaintances, Hungarian citizens will invest under a pseudonym in Hungary foreign exchange acquired on the black market. That would count as a foreign investment, in which case profits—the foreign business share owner's taxed profits accrued in forints—could be converted into foreign exchange at official Hungarian National Bank [MNB] exchange rates, and could be taken out of Hungary, as is guaranteed by the state. This is fine, but with this rule the Hungarian state has also made it so that foreign exchange acquired on the black market is kept by Hungarian citizens abroad, or is used to purchase a car.

"The law recognizes property law and provides that the value of property is an acceptable form of capital contribution. On the other hand, from the standpoint of Hungarian courts of registry 'good will,'—the good reputation of firms-amounts to 'nothing.' They do not regard good will as property having value. Accordingly, no corporation may be established in which the foreigner contributes, let's say, his name only, because that does not constitute a capital contribution. This, at a time when it is entirely obvious that a newly formed firm will derive benefits which can be expressed in monetary terms if it operates under a well introduced name with a good reputation, and that this name will increase the value of the firm's products in the marketplace, and thus also the worth of the firm itself. On the other hand it is true that if the firm assumes a name that is a registered trade mark in Hungary, the right to use the trade mark will be accepted as a capital contribution as a matter of property law. But one should think how many firms which operate on a global scale exist which thus far have not registered their names as trade marks in Hungary, because there was no need at all for such registration.

"And then we have the case of so-called state business organizations. The concept of such organizations is reflected, e.g., in Section 4 of the law, but who can tell what in the devil a state business organization is? The Civil Code of Laws enumerates the various kinds of business organizations. Some laws provide for state

business organizations, but where is the term 'state business organization' defined? Just one example: Would a stock corporation—doubtless a business organization—be a state business organization if only part of its shares (perhaps only one share) is owned by the state?

Hungarian courts of registry will register half a dozen firms bearing the same name; at the same time, at the request of the court of registry judge, documentation providing a lengthy explanation of the firm's name must be attached to the application. The name of the firm's owner may be included in the firm's name, of course, even if 'it sounds alien.' Otherwise they accept only Hungarian terms, or 'foreign terms that have become an established part of the Hungarian language.' Thereafter it depends on the 'benevolence' of the court of registry judge, and on the persuasive power of the legal counsel what the judge will accept as a 'foreign term having become an established part of the Hungarian language.'

"The real legal delicacy is this: How do we establish domicile for our firm? The place in which the firm is organized must be stated in the documents, but as everyone knows, there is not enough office space in Hungary, and therefore a large number of firms operate out of private residences. Yes, but there is a decree which states that apartments, including condominiums, may be used for other than residential purposes only with the concurrence of council chairmen. This constitutes such a nightmare that not even court of registry judges require the presentation of permission granted by council chairmen. On the other hand, court of registry judges demand a document which shows on what basis a firm operates out of an apartment. Accordingly, one must establish a lease agreement. But let's think about this in terms of a single person limited liability corporation! The owner of such a corporation establishes an office in the apartment he owns. As the owner of the apartment he leases the apartment to his corporation—to himself then signs the agreement. On one side of the agreement he will sign as the lessor, on the other side as the operating officer of the corporation. In other words, he enters into an agreement with himself. And this of course is accomplished by stating in the agreement that no compensation is to be paid under the lease, otherwise he would have to pay personal income taxes after the leasing fees he pays to himself."

## Rail Engineers Hold One Hour Warning Strike

### Situation in Budapest

25000577B Budapest NEPSZABADSAG in Hungarian 21 Dec 89 p 6

[Article by F. Gy. A.: "A Majority of the Passengers Took the Bus; After the Strike: Bargaining Continues; Railroad Workers Union Takes Railroad Engineers' Side"]

[Excerpts] As soon as the local train from Tatabanya arrived a few minutes after 0500 hours yesterday, the

public address system at the Eastern railroad terminal announced to waiting passengers that subsequent trains would depart and arrive with a delay of approximately 60 minutes, because railroad engineers had declared a one hour warning strike.

Aside from the loudspeakers, no one had informed the traveling public that the engineers would go on strike. The remote control annunciation board did not recognize this fact either; it continued to state that the local train to Hatvan would leave at 0525. There were some who took the indications on the board seriously and hurried to the train to secure seats; the ticket agent did not feel that it was her obligation to say that there was an ongoing strike. [passage omitted]

At a few minutes past 0800, station master Laszlo Alfoldy joined the Hungarian State Railroad Budapest Directorate's teleconference.

"Everything took place in good order," he said. "Passengers reacted in a disciplined manner to the strike." Minutes later similar statements were made over the phone by his colleagues from Gyor, Szekesfehervar, Cegled, and Szob. According to the reports filed, the greatest concern arose because railroad workers arriving for the morning shift were unable to begin work on time.

The Railroad Workers Union leadership held a meeting in the early afternoon hours. They declared that the engineers' strike was just, because in this way they shed light on the concerns of the entire community of railroad workers. Virtually all railroad engineers took part in the action; only four trains operated during the strike, according to department head Dr. Janos Borsik.

The warning work stoppage came to a conclusion at the time promised, and at present, negotiations to reconcile conflicts once again play the lead role. And what will happen if the demands made by the railroad engineers are not fulfilled even after this warning strike? Borsik does not regard a general railroad workers strike as inconceivable. Everything depends on the outcome of negotiations....

At its Wednesday meeting the Railroad Workers Union did not make a decision concerning changes in the collective agreement with the Hungarian State Railroads

collective agreement with the Hungarian State Railroads [MAV]. This is because the original agenda was changed as a result of the railroad engineers' early morning strike.

The central leadership's position concerning the engineers' strike action was reported by deputy department head Janos Borsik: Since MAV is unable to satisfy the striking workers' demands, the one hour work stoppage may be regarded as a warning to the government. The action taken by the railroad engineers had the added intent of calling attention to the untenable situation of the entire community of railroad workers.

The central leadership expressed its appreciation to all those who had expressed their sense of solidarity with the railroad engineers. The leadership was pleased by the fact that the traveling public manifested patience, understanding, and sympathy with regard to the strike.

### Situation in Countryside

25000577B Budapest NEPSZABADSAG in Hungarian 21 Dec 89 p 6

[Unattributed article: "Strike Situation in the Country-side"]

[Excerpts] The strike did not cause more disturbance than expected in the Southern Trans-Danubian region. The express normally departing Pecs at 0505 hours for Gyor experienced the longest delay. [passage omitted]

In the area controlled by the Szombathely directorate, 53 local trains were affected by the engineers' work stoppage. The routing of freight trains was arranged so that they did not interfere with passenger traffic. There were only small disturbances: Trains were delayed by between five and 61 minutes.

Only a few people were late to work at Gyor as a a result of the strike. Commuting workers took the bus or drove their own cars. No significant impact was made on production. A majority of the travellers accepted the one hour delay with indifference or with understanding; those who complained did so about the general conditions in the country, not about the engineers.

Almost 30 trains were stalled yesterday morning between 0500 and 0600 at the 25 stations under the jurisdiction of the Bekescsaba directorate. [passage omitted] During the work stoppage, traffic controllers feverishly organized for the resumption of departures, and therefore order was restored faster after 0600.

At MAV's [Hungarian State Railroads] Szeged directorate some 81 passenger trains and 40 freight trains were affected by the engineers' work stoppage. Trains began to roll after one hour, at 0600 hours exactly, and by noon scheduled traffic was restored. [passage omitted]

No particular delay was experienced in Hajdu-Bihar County's large enterprises. This may be explained by the fact that a significant number of people commute by bus, and the largest enterprises operate a bus transportation network. [passage omitted]

# New Authority Established for Radio Frequencies

25000586A Budapest NEPSZABADSAG in Hungarian 28 Dec 89 p 10

[MTI report]

[Text] The Frequency Management Institute will begin operations on 1 January. It will function under the supervision of the Minister of Transport, Telecommunications, and Construction, and will operate as a state administrative organ with nationwide jurisdiction.

Kalman Toth, head of the ministry's frequency management division, said that the new institute was created from the resources of the postal, radio, and television technical directorate, frequency management office, and that the institute was vested with the authority of first instance. The jurisdiction of the new organization will encompass all licensing related to radio broadcasts as well as the licensing of radio telephones, the examination of the various types of program receivers, the investigation of disturbances in radio systems, and the allocation of frequencies for newly established radio stations.

### **POLAND**

# **Controversy Over Cooperative Movement Dissolution Discussed**

#### Government Plan Defended

90EP0243A Warsaw RZECZPOSPOLITA in Polish 27 Nov 89 pp 1, 4

[Interview with Jerzy Ciemniewski, undersecretary of state, Office of the Council of Ministers, by Maciej Urbaniak: "A Change in Structures Is Not Enough"; date and place not given; first three paragraphs are RZECZ-POSPOLITA introduction]

[Text] The government draft law on changes in the organization and activities of the cooperative movement has already managed to arouse many heated disputes and arguments. It was also discussed in RZECZPOS-POLITA, but to the broader circles of our readers, and others, it is known only "second-hand,"—from discussions in the press and elsewhere.

Such transmissions, even the most objective (and it is very hard to be objective in this matter) always twist something or misrepresent something. That is why we are publishing the draft law today, in its entirety, in the column at right.

This is the complete text, including the amendments submitted by the government a few days ago to the Sejm. Minister Jerzy Ciemniewski, undersecretary of state in the Office of the Council of Ministers, talked about why this draft was changed and what the changes consist of, in the interview published below. Wlodzimierz Krajewski, chairman of the NRS [Chief Council of Cooperatives], on the other hand, gives at least a partial reply to the question as to how the members of the cooperative movement look upon the present version of the draft. Partial, because they have not yet taken an official position on it.

[RZECZPOSPOLITA] The government's intentions in connection with the draft on changes in the cooperative movement have been explained many times. But because many people interpreted them wrongly, perhaps it would be well, now that the draft law on changes in the organization and activities of the cooperative movement is "made public," to remind us what its goals are.

[Ciemniewski] We want to bring consistency to the functioning of the economy. To create a situation in which all economic organizations (including cooperatives) will function autonomously, not under the administration and not in a system of vertical subordination (which, may manifest itself also in economic forms: For example, in deciding which particular organizational entities will have access to sources of supply or allocation of funds from so-called "centralized funds"). On the other hand, the government does not wish to encroach too deeply into the internal organization of a cooperative, although here, too, some particular decisions are essential.

[RZECZPOSPOLITA] But a change in structures alone is not enough.

[Ciemniewski] Of course there must be a change in the relationship between the member and the cooperative, which means that the members have a financial interest in the results of the cooperative's activities. There must also be changes in the functioning of democracy inside the cooperative. In the second stage—which we envisioned from the beginning—there will be a comprehensive reform of the cooperative law, prepared and conducted with the participation of those who are interested. I believe that we coordinated the positions of the representatives of the NRS on this issue. A committee will be appointed which will be composed of representatives of the government and the cooperative movement, and this committee will prepare the proposal. This should take place by the end of next year.

[RZECZPOSPOLITA] The government draft is being severely criticized...

[Ciemniewski] Our initial intention, which was reflected in Art 3 of the draft, envisaged the selling, at auction, of the assets of the cooperative unions. I repeat, the assets of the unions, not the assets of the cooperative movement. This ambiguity in terminology prompted demagogic attacks on the draft.

This proposal mirrored the broader concept of the creation of a market for capital and means of production; the elimination, in practice, of division into different types and forms of ownership; and the creation of the possibility of an unrestrained flow of capital and assets-components between sectors.

But it turned out that this proposal aroused furious resistance from the cooperative members. Therefore, the government deemed it advisable not to open up the possibility of intersector flow with the cooperative movement. In this situation, an amendment was prepared which provided that the assets of the cooperative unions would be transferred within the cooperative movement itself. It is aimed not only at the cooperatives which are now affiliated in unions, but also at those which have been newly formed by employees in now-existing plants, who belong to these unions. Cooperatives which once left the unions can also participate. The money which remains after the union has been dissolved

will become the joint property of the cooperatives which are now affiliated with it and those which left it.

[RZECZPOSPOLITA] What else does the amendment provide for?

[Ciemniewski] At the meeting of the premier with the representatives of the NRS we accepted the government's stipulation that the liquidators of the cooperative unions be appointed by the affiliated cooperatives themselves.

We somewhat tightened the provision pertaining to easing the division of the cooperative at the initiative of a group of members, linking this group with a separable part of the propery, i.e., a plant, building, or even an entire housing settlement. Except that the final decision on disputed matters (contrary to what was written when the draft was attacked) will belong to the court. Therefore, this will not be an arbitrary division.

We also tightened the procedures dealing with calling voivodship meetings of representatives of the cooperative movement and the general assembly of the NRS. In a case where the cooperative organs desist from taking action on this question, we foresee the possibility that the pertinent voivodship courts will call these meetings.

[RZECZPOSPOLITA] Does the draft in its present version have a chance of being accepted by the cooperative movement?

[Ciemniewski] The government hopes that the cooperative movement will show an understanding of the needs ensuing from the deep changes in the economy and will not strive to maintain decisions which might be convenient for a certain number of members but which are in complete conflict with the logic of the reforms being made. The NRS representatives assured premier T. Mazowiecki of this at the above-mentioned meeting.

### **Executive Council Reexamines Proposals**

90EP0243B Warsaw RZECZPOSPOLITA in Polish 27 Nov 89 pp 1, 4

[Interview with Wlodzimierz Krajewski, president, Chief Council of Cooperatives, by Anna Sielanko: "Only the First Thoughts..."; date and place not given]

[Text] [RZECZPOSPOLITA] How does the NRS [Chief Council of Cooperatives] evaluate the draft law on changes in the organization and activities of the cooperative movement now that the government has introduced some amendments?

[Krajewski] I cannot yet give the full evaluation of the NRS. The Council did not receive the new text until Wednesday afternoon and it has not been examined either by the executive board or at a general assembly of the NRS. We will discuss this document at a meeting of the executive board and the NRS will take a position on

this matter on 1 December. Today, having only a preliminary idea of what it is all about, I can describe my first thoughts.

The basic changes which have been introduced pertain to another approach to the matter of transferring cooperative-movement property which is in the possession of cooperative unions and the method of dissolving these unions. These two new formulations meet, at least partially, the demands made thus far by the community. The property of the cooperative unions, according to the new proposal, should be taken over first by the cooperatives themselves, which are its members, and only if there are no takers is there a possibility of disposing of them in some other way. It also takes into account another of our suggestions, that where unions are being dissolved the rules of the cooperative-movement law must be complied with. Unfortunately, the other matters which we questioned were not changed.

### [RZECZPOSPOLITA] What do they pertain to?

[Krajewski] The following were retained, although this aroused opposition from the co-op members: Dissolution of cooperative organizations by force of the law, the actual inability of the cooperative to meet for a period of a year and a half, suspension of auditing activities for the same period, the ability to divide the cooperative even contrary to the opinion of the majority of the members of the cooperative at a general meeting, and the formula for the election of the NRS, which puts to question the credibility of the election of delegates to the congress of the Polish cooperative movement, currently underway in all voivodships.

[RZECZPOSPOLITA] Which of these matters is of the greatest importance to the cooperative community?

[Krajewski] The proposed law violates the fundamental principle of the cooperative movement, which is the right to affiliate. Suspension of this law for a year and a half thus creates a large gap in the economic activity under the aegis of the union, without which it would be impossible for the cooperative to function in many organizations. Also, retention of the rule that the cooperative can be divided at the motion of 10 members, even contrary to the opinion of the general assembly, risks the breakup of a well-functioning cooperative entity.

In summing up, I must say that regarding the position of the NRS, taken in relation to the previous draft, the amendments introduced by the government pertain only to a certain reduction in the scope of the text of the draft law. Nor do they take into account the reservations expressed as to the form, methods, and procedures for preparing this document. Also, the amendments were prepared without the participation of the co-op members, and the draft was sent to the NRS on the day it was sent to the Sejm. I must add that during our talks with the premier we submitted a whole series of comments and reservations on the first draft of the law, at the same time expressing our willingness to cooperate with the government and our hope that they will be taken into account.

Now we will want to familiarize ourselves with the position of the cooperative members who are deputies and those who are not, explaining to them the consequences which will ensue from the possible acceptance by the Sejm of the law in the form proposed by the government.

### HUNGARY

### Minister Queried on Educational System Reforms

25000580 Budapest HETI VILAGGAZDASAG in Hungarian 23 Dec 89 pp 58-59

[Interview with Ferenc Glatz, minister of culture and education, by Agnes G. Barta, date and place not given: "Educational Reform: Enrollments To Begin?"]

[Text] In recent months the minister of culture and education has succeeded in shaking up and awakening the Hungarian community of educators that has been used to reforms. Mandatory Russian language teaching has ceased; long live the European languages!—the minister issued this watchword last spring. The gates of institutions of higher education must be opened, educators must be paid well, and the paternalistic system of education must be discontinued. We asked Ferenc Glatz about the future of higher education and the educational system. He professes principles and advocates actions which stir up education from its foundations.

[HVG] It would hardly be an exaggeration to say that the condition of Hungarian higher education is catastrophic. Many of the buildings are virtually in ruins, countless educational resources are missing, and the educators are dissatisfied with the way they are recognized both financially and morally. You, on the other hand, stress European integration as the main theme for educational reform. Aware of the facts, your perception may appear to be an illusion. In which field should or could the first steps be taken in your view?

[Glatz] The first and most important thing is to change the outlook. In order for us to be able to create an intelligentsia with a European culture, we must depart from the theory and practice of Stalinist planned economic management which has prevailed for decades in regard to Hungarian education. This manifested itself in the fact that the state, which constituted a closed political system, prescribed how many and what kinds of professionals it needed, and teaching and education were subordinated exclusively to this dictate. In contrast, what I am saying is this: While planning is necessary in any modern society, the opportunity to acquire an education must be provided independent of planning. The citizen must receive a guarantee from the state that he may learn throughout his life, and that the citizen may decide what he wants to become, or, if he wishes, to change his career at a later stage in life, if he has the money to do so, or if he receives a scholarship. This opportunity must be established from the nursery school all the way to the universities. We can see the system of conditions already, the institutional framework; now we must take the first practical steps. We need buildings in order to educate more students at universities and academies. After arguing for several months, at the most recent Council of Ministers session we were able to get a few of the Hungarian Socialist Workers' Party's [MSZMP] educational buildings, including the Party

Academy. We must also reorganize the structure of the Hungarian educational system which we inherited from the Stalinist planned economy. This would mean, for example, that qualitative, and not primarily quantitative improvements must be achieved in terms of training engineers. In educating technical professionals we must reinforce our orientation toward modern technical requirements, as well as the weight of administrative know-how and language skills. But in the same way, we must also rethink the order of training teachers. And finally, we need to raise salaries. And this applies not only to higher education, but to all educators. This much is already an accomplished fact: The budget provides a 20 percent salary increase to educators in 1990, and 4 billion forints beyond that. Those involved in higher education receive part of the 4 billion forints. This represents another 11-12 percent increase.

[HVG] The average gross salary of university level educators amounts to less than 12,000-14,000 forints, and thus the salary increase permits only a preservation of the real value of the relatively low salary level. No wonder educators do not agree to accept their share of the planned 20 percent increase in admissions. Accordingly, the salary increase does not resolve concerns about higher education.

[Glatz] Unfortunately, I am also aware of this fact. Even higher salaries would be needed. We must transform the adverse social and wage structure of the past 40 years. And do not forget: This transformation must be accomplished to the detriment of other sectors. But in my view there are still some reserves in higher education. We find frightening levels of poverty in the field of Hungarian higher education on the one hand; at the same time we find frightening waste, on the other. The student/teacher ratio is rather low. There are many reasons for this: low salaries, a bad educational structure, and the fact that various departments within universities were broken up into small units. I advocate variety and options within departments—there are departments which provide only a few hours of teaching per week in certain semesters. On the other hand, higher education is also excessively based on ideology. In the three largest universities of Budapest we find a total of 600 colleagues who taught Marxism at one time. Resource utilization at universities is at an extremely low level. World Bank experts told us that they would not be willing to provide us loans as long as such infrastructural parallels exists within the same city in universities having a similar scope.

[HVG] In many instances assistance promised from abroad is clearly targeted, such as in regard to foreign language teaching. In this regard the program you proclaimed stirred up some storms; the retraining system for Russian language teachers is being objected to by many. Some people believe that it is unfair to force 30- to 40-year-old teachers to study after work, moreover, if they do not reach the point of taking a language exam within a year, they must repay the course fee of between 30,000 and 40,000 forints from salaries they receive as teachers. On top of this, it is hardly possible to learn a

language within a year, and it is particularly impossible to acquire skill levels at which a person could teach that language. Should we prepare ourselves for the emergence of untrained high school teachers?

[Glatz] This criticism is fair. We reviewed the situation of Russian language teachers just three weeks ago. The measures, the sums of money appeared to be appropriate, but the implementation is weak, to put it mildly. For this reason I am now appointing a government commissioner to deal with this issue. My wife is a Russian language teacher, therefore I am closely familiar with this problem. Society is impatient. The foreign language program is a 10-year program. (It took much longer than that in Sweden.) But as I used to say to my associates: Doing nothing feverishly should not be exchanged for acting in haste feverishly. Our task is to prepare ourselves for 1992 and 1995. Our academies understand this situation; we raised the number of Western language majors to be admitted in September by 40 percent. We may expect to see great changes in only a few years, when students graduate from the soon to be started foreign language academies and faculties. Until such time, however, there definitely will be a shortage of well trained language teachers, and the shortage will remain as long as we do not dare to pay teachers well, or better than we pay others. The question is—a friend who is a principal asked this question—whether we dare to say that we pay between 18,000 and 20,000 forints to an English language teacher—the amount he would receive in a private language school, while a history teacher would receive only 12,000 forints?

[HVG] Among your actions which have stirred up a storm we find the new matriculation system, as well as a proposal to introduce the four plus eight years elementary and high school educational system by 1994. A generation which has experienced a series of reforms, quasi-reforms, and pseudo-reforms does not need another change in the system; it requires quality and in-depth work. Are you not concerned about resistance?

[Glatz] Negation is usually the initial reaction to new measures. This is partly so at this time too. But whoever is really interested in details and familiarizes himself with those details, will understand the reasons for our efforts, I hope. There is much misunderstanding in regard to the four plus eight class education. And I am not simply for four plus eight, but also for providing alternatives, options in the framework of education. Just as the state monopoly of founding schools must be surrendered, we also need to have coexistence involving state, religious, and private schools, and also the eight plus four and the four plus eight systems. This is a matter to be decided locally, by those who sustain schools. Transfer opportunities among various types of schools would also prevail in another dimension: on the basis of ownership forms. Accordingly, there would be transfer opportunities between state, private, and religious schools. On the other hand, there would be a minimum curriculum, a body of knowledge, that would have to be conveyed on a mandatory basis by every Hungarian school. Thus, for example, having graduated from a school run by the Reformed Church a child wants

to continue his education in a school run by the Catholic Church, he would transfer the same body of knowledge, except for the fact that he may have acquired that body of knowledge interpreted from a different perspective, at worst. Also the uniform state matriculation exam would require familiarity with the material contained in the base curriculum. Our plans call for a state high school matriculation exam, replacing university admissions examinations to a certain extent. Although in due regard to the autonomy enjoyed by universities, I believe that the kind of admissions system to be used by individual universities will be decided by the universities. I would like to leave that decision to the universities beginning in the 1990-91 academic year. We plan to introduce the new kind of matriculation examination gradually, not all at once; those in the second gymnasium grade today would be the first

[HVG] You plan to initiate large scale changes, but who knows how much time you have left to implement them. In plain English: Would you receive a ministerial appointment in the new government?

[Glatz] At the time I agreed to serve as minister I said that this paternalistic system which wants to direct everything from the top down must be abolished. The actions taken already serve this purpose, and I do not believe that these actions can be reversed. These include the abolition of censorship, the freedom of artistic work, the freedom of research, and the new form of scholarship councils. Within the framework of educational reform we are dismantling the one-sided right to establish schools, we are beginning to gradually liberalize the admissions system, and we are expelling party ideology from public education. We want to have an educational system which follows goals not based on conclusions derived from ideology, but goals which provide a framework at the systems level for the molding of the individual, of the personality of individual people. My ability to have this concept adopted as a matter of law will be the most significant element that catalyzes the dismantling of the party state. When that is accomplished I will feel that my political career has come to an end, and I will know that I did not sacrifice this period of my life for this purpose in vain.

# Hungarology Institute in Soviet Lower Carpathia Described

25000583 Budapest NEPSZAVA in Hungarian 23 Dec 89 p 9

[Article by Agnes Peredi]

[Excerpts] [Passage omitted] In the evening we arrived at the Soviet Union's Hungarology Institute. It is a clean smelling, freshly refurbished villa. Everyone refers to it as the Brody villa in this neck of the woods. In its garden we find the statue of Mr. Bear from Maramaros. Inside everything is spic and span.

A conference was going on when we arrived. Perhaps it was rather a friendly meeting: Delegations from the

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Hungarian-Soviet Friendship Association and from the Patriotic People's Front came to visit the Institute. Seated at the head of the table was Peter Lizanek, the Ukranian director of the Institute. He chaired the meeting and speaks Hungarian well. He has served as head of the Hungarian department at Ungvar University since 1966. He is proud that even his grandchildren speak Hungarian, even though the entire family is Ukranian.

Particularly during these days many people are coming to visit the Institute. Only a few weeks have passed since early November when Hungarian Minister of Culture Ferenc Glatz had arrived to dedicate the Institute. The director presents the Institute's history, goals, and plans as he is already used to, with no small pride.

"The Hungarology Institute is a center that reaches out to the entire Soviet Union. It coordinates research. We have established a 32 member Hungarology committee composed of researchers and scientists. Our task is to foster Hungarian culture in this area, where Hungarians have coexisted with Ukranians for a thousand years, and where their respective cultures have become intertwined. The idea of establishing the Institute emerged in 1985-86. In 1987 Minister Bela Kopeczi paid us a visit, and the proposal assumed specific dimensions. The enabling decree came on about 14 January 1988. At that time the Hungarology Institute was allotted two rooms at the university. Those were tight quarters. Thus it occurred to us that it would be nice to acquire this villa. At one time the villa served as a nursery school, then they wanted to convert it into a museum, but they did not get too far. Finally, on 17 April 1989 remodeling work began. It was completed by mid-October. The Soviet Union supplied the needed materials and the Hungarians performed the work. Thus the material conditions were established.

"The fellows of the Institute gather remnants of folk poetry and of peculiar dialects. They have developed a large program to research the history of various settlements. They try to explore the history of the movements of the Hungarian tribes, and the relics of ages that preceded the arrival of Hungarians. Researchers in every region of the country where the Hungarian tribes passed through will join this work."

The Hungarian delegates listened attentively and drank vodka from coffee cups while the director spoke. Thereafter they discussed the most timely tasks of modernizing this "work of friendship." [passage omitted]

... in addition to a sign in the Russian language, the marketplace is also designated by a sign bearing the Hungarian word "piac" [market]. And the Hungarian restaurant's door also has a Hungarian sign. But nowhere else could we find Hungarian signs. True, Peter Lizanek mentioned that at the borders of two villages there were Hungarian signs designating those villages, and it is equally true that when driving from the direction of Csap the traveler will know that he has arrived at Szurte and Teglas [Hungarian names of currently Soviet villages]. It seems that one has to wait for the rest of the signs. On the

other hand, the Ungvar bookstore sells quite a few books published in Hungary; at least as many, if not more than Russian and Ukranian language books.

Gyula Rohaly, the editor in chief of the Hungarian language broadcasts of Ungvar television discussed opportunities for using the Hungarian language.

"A Hungarian language program is broadcast three times a week: a one hour program on Mondays, and between 30 and 40 minutes of broadcast time on Wednesdays and Sundays. This television studio has been broadcasting in four languages since 1968: in Russian, Ukranian, Hungarian, and Romanian, responsive to the composition of the local populace. We also have a daily one hour Hungarian language radio program. Our editorial staff is composed of 14 members. Everyone knows about everything: We work on the radio or prepare television programs, as needed. Our mission is to serve as a connecting link between nationalities. This is the most important task in this area. We enjoy maximum independence. But one must be aware of why he does certain things. And one must not forget that we live here, and that here we must raise our children and our grandchildren.

"Incidentally, both of my sons were enrolled in a Hungarian language school. Both my wife and I graduated from Hungarian schools. There was a time when it was permitted to take admissions examinations in the Hungarian language. This practice was subsequently prohibited, but now it is permitted once again. They completed a survey which showed that during the time when it was not permitted to take admissions exams in the Hungarian language, members of the Hungarian nationality were admitted to universities and academies in more or less the same proportions as they are now. The difference was very small, because in those days anyone who wanted to get ahead began studying the three subjects of which the admissions exam would have to be taken in Russian or Ukranian at quite an early stage. Quite naturally it was more difficult that way.

Above the editor in chief's desk there is a quotation from Kolcsey: "Adhere to your home country's language with warm love!" And on the shelf Dostoyevsky and Jokai are part of the same row of books.

#### Independent Union Recognized by AFL-CIO

25000577D Budapest HETI VILAGGAZDASAG in Hungarian 2 Dec 89 p 6

[Unattributed article: "AFL-CIO Office in Budapest?"]

[Text] After several long decades, cooperation between Hungarian and American trade unions is once again developing. On behalf of the Hungarian League of Independent Trade Unions, Pal Forgacs addressed the most recent congress of the trade union federation of the United States, the 15-million-member AFL-CIO [American Federation of Labor-Congress of Industrial Organizations]. He expressed his appreciation for the American trade union federation's support of the struggle against

the legislative proposal concerning strikes submitted to Parliament last spring. The proposal failed in the end. The congress assured Forgacs of its full support of the Hungarian democratic transformation, and indicated that AFL-CIO President Lane Kirkland is likely to visit Hungary next spring. They indicated that the federation may establish independent representation in Budapest by opening an office. Aside from that, the AFL-CIO is actively involved in the \$1 million American retraining program, in the framework of which they intend to assist the unemployed uranium miners of Pecs to find new

jobs. The AFL-CIO continues not to regard the National Council of Trade Unions [SZOT] as a partner, and refused to support the extension of Overseas Private Investment Corporation [OPIC] investment guarantees to Hungary, claiming that labor is deprived of the right to organize freely. The AFL-CIO is one of the largest lobbies in the American Congress [as published], and its support is an important condition for acquiring the support of the U.S. government. For the time being, the AFL-CIO regards the Hungarian League of Independent Trade Unions as its partner.

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